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ESTABLISHED 1887

Sikh Gunmen Kill Leader Who Sought End to Punjab Crisis

By Sanjoy Hazarika

New York Times Service
NEW DELHI — Sikh gunmen in the Punjab assassinated Tuesday the moderate Sikh leader who recently signed a controversial peace accord with Prime Minister Rajiv Gandhi. The shooting was a major setback to efforts to normalize the troubled state.

The assassination of Harchand Singh Longowal, president of the Akali Dal party, clouds the future both of the agreement, signed last month, and of state elections scheduled for Sept. 22.

It also upset Mr. Gandhi's hopes for a swift political solution in Punjab, just after he had won acclaim for his handling of the crisis in Punjab and Assam. The Press Trust of India News Agency, quoting authoritative Indian sources, said the government was considering postponing the elections as a result of the assassination.

A witness said that two young Sikhs fired pistols at Mr. Longowal after he completed a speech and bowed to greet the congregation at a Sikh temple in the village of Sherpur, near the town of Sangrur. The witness, a reporter for the Press Trust of India, said that Mr. Longowal collapsed after being wounded critically in his chest and an aide was killed and three others wounded in the shooting.

Both assailants were captured and one was reported wounded when guards fired back at them.

Earlier in the day, gunmen in the Punjab shot and killed a Hindu politician of Mr. Gandhi's Congress (I) Party and wounded two persons.

A police official said four gunmen fired at D.D. Khullar, a Congress leader, in a house in Jullundur city, killing him on the spot. They then fled.

The official said another Congress leader, Gurjir Singh, and a visitor at Mr. Singh's house were seriously wounded. Mr. Khullar

headed the Congress unit in Jullundur District.

The Indian government placed troops on alert to prevent possible counter-violence in Punjab and neighboring states, especially by Longowal supporters or militant Sikhs who oppose them.

Mr. Gandhi called for calm and convened an emergency cabinet meeting that mourned Mr. Longowal's death.

The incident drew nationwide condemnation and angry reactions from opposition politicians who blamed the killing on the central government, saying it should not have scheduled elections in Punjab next month. The announcement of the elections was made last week and has given extremists a fresh chance to disrupt the state, the leaders said.

No group has yet taken responsibility for the Longowal slaying, although the two captured assassins were identified as Matwinder Singh and Gian Singh from Ludhiana district. It was not immediately known if they were wanted members of any of the groups that have opposed the accord. The settlement ended three years of confrontation between Sikhs and the Indian government.

Officials in Punjab said last month that they had increased security for Mr. Longowal after it was reported that he had become a terrorist target because of the agreement, which is said to be winning support in the Punjab. The security included at least four bodyguards armed with semi-automatic carbines, revolvers and rifles.

The government's failure to protect Mr. Longowal is already being strongly criticized.

Mr. Longowal was a native of the district and took his surname from the village of the same name. He was respected in the region and in many parts of the Punjab as a pious man who began as a religious leader.

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South African troops stopped vehicles entering Soweto on Tuesday as they conducted house-to-house searches and manned roadblocks in the large black township. Page 2.

Car Bomb Kills 40 in North Lebanon; Beirut Area Caught in Artillery Duels

Reuters

BEIRUT — A car bomb killed 40 persons in the northern Lebanese city of Tripoli on Tuesday as Moslem and Christian forces fought fierce artillery duels that engulfed Beirut and mountain villages north and east of the capital.

Security sources said that unidentified planes had attacked gun positions near Tarshish, on Syrian-controlled slopes of the central Mount Lebanon range, but police in the nearby town of Dhour Shweir later denied the report.

The car bomb, the fifth in less than a week, exploded among crowds in Tripoli that had gathered after a man threw a stick of dynamite from a car minutes earlier, security sources said.

Security sources said that the 40-pound (20-kilogram) bomb killed 40 and wounded 100 persons. It demolished a four-story building

housing a police station and started a major fire.

Sheikh Kanan Naji, the Tripoli chief of the Sunni Moslem fundamentalists Jundallah, or Soldiers of God, militia, was critically injured in the blast, the sources said.

Two car bombs killed 28 persons in Moslem West Beirut on Monday, apparently in reprisal for earlier ones in Christian areas. Monday's explosions started shelling duels that raged across the city for 16 hours before easing in early afternoon.

Fifty-five persons were killed in a car bomb explosion outside a supermarket near Christian East Beirut on Saturday.

As fighting raged around Beirut, jets were reported to have hit gun positions in a predawn attack at Tarshish on the eastern slopes of the Mount Lebanon range, about 18 miles (about 28 kilometers) from the city, security sources said.

Syrian troops and a variety of pro-Syrian and leftist militia have gun positions on the hillsides.

The Voice of Lebanon radio identified the attacking planes as Israeli, but this was denied by an Israeli military spokesman in Tel Aviv. The Lebanese police denial of the incident came later.

There was no comment from the Lebanese Air Force, which has a few Hawker Hunter fighter-bombers based in Christian territory north of Beirut.

The Voice of Lebanon said that the shelling duel continued after a cease-fire had been due to take effect at midday. The rival forces had ignored numerous earlier efforts by an all-party security committee to halt the fighting.

"We can do nothing unless there is a political agreement," a committee source said.

Security sources said that at least 24 persons were killed in the shelling and 100 were wounded.

Overnight, the artillery duels lit up the sky above the city as sleepless residents huddled in basements and stairwells.

After dawn, shells continued to rain down on Moslem and Christian sectors, including targets up to 18 miles from the city, radio reports said. All roads linking East and West Beirut were closed as fighting also raged along the Green Line dividing the city.

About 30 rockets hit Beirut International Airport, slightly damaging two aircraft, airport sources said. Flights continued to operate.

Witnesses reported heavy damage near the West Beirut home of

quarter, the smallest gain in two years.

The Commerce Department also reported Tuesday that after-tax corporate profits dropped 0.4 percent in the April-June quarter, following a 2.8-percent decline from January through March. After-tax profits have declined for five straight quarters.

The GNP report showed an upward revision from last month's estimate primarily because of stronger growth in inventory restocking. Also contributing to the upward revision were government purchases, net exports and personal spending. Final sales were up 4.7 percent at an annual rate in the second quarter, after falling 0.3 percent in the first three months.

The U.S. economy remains in a very sluggish growth path with no significant rebound in process," said Allen Sinai, chief economist for Shearson Lehman Brothers.

"There is no indication that consumers will cut back enough to drive the economy into an outright recession, but the pace is slow enough to suggest that the growth recession will continue."

In a growth recession, overall output continues rising but at such a slow pace that the unemployment rate rises also.

Mr. Atraghji's wife, Ilana, and an embassy secretary, Mazal Mense, both 24, who were accompanying the diplomat, were said to be in a satisfactory condition, after surgery to treat bullet wounds to the legs, arms and face.

A hitherto unknown group calling itself "Egypt's Revolution" claimed responsibility for the killing. A typewritten statement delivered to the Reuters news agency in Cairo said: "Our valiant armed men today, in defense of our free-

Revised Figures Show U.S. Economy Growing at Weak 2% Annual Rate

The Associated Press

WASHINGTON — The U.S. economy, battered by a rising trade deficit, grew at a weak 2-percent annual rate in the spring, the government reported Tuesday.

The rise in gross national product was revised slightly upward from last month's estimate of 1.7-percent growth for the period from April through June. Even with the revision, however, the latest GNP report continued to show an economy performing far below original expectations.

At the start of the year, the Reagan administration and most private economists expected growth of 4 percent in 1985. But the economy grew by 0.3 percent from January through March. That slow pace, combined with the sluggish 2-percent rate in the April-June quarter, means annual growth so far this year of just 1.1 percent.

The economy would have to rebound to a 4.2-percent growth rate in the final six months of the year to reach the administration's lowered 3-percent rate for the full year.

Commerce Undersecretary Sidney L. Jones said the latest report on GNP, a measure of the total value of goods and services including income from foreign investments, showed the economy con-

tinuing in the same growth path that has held for the last year. Strong domestic demand is being met largely by imports, he said.

Mr. Jones conceded that the administration's forecast for a strong second-half rebound, while possible, was not the most likely occurrence.

"A more likely outcome is that you will have moderate growth in the second half. That would give us about 2.5 percent growth for the year," he said.

Private economists, viewing the weak report so far on July activity, also say they see no hint of a rebound. Many expect sluggish growth of around 2.5 percent in the second half of the year.

The reason for the sharp slowdown in activity this year has been the soaring trade deficit, which is forecast to reach a record \$150 billion.

The dollar's strength earlier this year, which makes imports cheaper and U.S. goods more expensive and thus harder to sell on overseas markets, is blamed for the year's poor performance.

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Britain Faces Rail Worker Strikes In New Test for Thatcher Government

By Bob Hagerty

International Herald Tribune

LONDON — Six months after defeating a coal miners' strike, the British government is confronted by a growing industrial dispute at state-owned British Rail.

The dispute, which has been building up over the past five weeks, seems unlikely to be as serious as the 12-month coal strike. But the conflict already is disrupting some commuter and freight services, and it presents the Conservative government with another test of will at a time when its ratings in the opinion polls are low.

On Tuesday, nearly four hours of talks between British Rail and the National Union of Railwaysmen broke up without any sign of agreement on a British Rail plan to reduce manpower.

The railroad wants some freight and passenger trains to be operated by one man instead of two, dispensing with the position of guard.

The change would eliminate 1,750 jobs over the next five years, though British Rail maintains no compulsory layoffs would be needed.

British Rail has dismissed about 230 guards in South Wales and in Glasgow who refused to cooperate with a transition to one-man trains.

That has set off unofficial strikes in South Wales, Scotland and the London area.

The union's 11,500 guards are scheduled to vote Friday on whether to hold an official strike. The vote was scheduled for Aug. 23, but the union brought it forward after the failure of Tuesday's meeting.

James Knapp, the union's general secretary, said there was no progress in Tuesday's talks.

"It appeared that some of my members had been taken prisoner, kidnapped or taken as hostages, and I was being handed a ransom note," he said. "Quite honestly, I'm not prepared to negotiate under conditions like that."

John Paulet, British Rail's personnel director, retorted: "I think the people who are at ransom are the passengers. They have no guarantee of a service."

So far the dispute has had little effect on the major long-distance routes used by tourists. But passenger services have been disrupted in Scotland, particularly in the Glasgow region, and on some suburban routes around London, especially those to Hertfordshire. The dispute also has disrupted freight train traffic in South Wales.

Mr. Knapp, a Scot known for pragmatism as well as tough talk,

has tried to win public support and full backing from his members before heading into a showdown. A letter to passengers handed out by union members asserts that "removal of the guards will be a charter for rapists and robbers." Mr. Knapp recently asked: "Who helps the passengers when so-called football supporters run amok?"

Squeezed by tougher competition from buses and trucks, the railroad management is determined to cut costs. British Rail reported a loss of \$408 million (\$371 million) in the 15 months ended last March. The losses reflected the effects of the miners' strike on freight business.

Several economists at British stockbrokers said the dispute is unlikely to cause severe hardship because British Rail's role as a carrier of freight has diminished over the past several decades. The government estimates that only 5 percent of freight in Britain moved by rail last year, down from 9 percent.

"It's certainly an inconvenience, and it's going to cause some disruption," said Gaynor Davies, an economist at Simon & Coates. But he predicted, the labor dispute is unlikely to cause grave harm to the economy.

Crowds at a London railroad station waiting for trains during an unofficial strike by workers against British Rail.



U.S. Will Test a Weapon Against Satellite in Space, Reagan Informs Congress

By David Hoffman

Washington Post Service

SANTA BARBARA, California

— The United States plans to conduct its first test soon of an anti-satellite weapon against an object in space, President Ronald Reagan informed Congress on Tuesday.

The test, to be aimed at an oblique U.S. satellite in Earth orbit,

said that the Reagan administration could undertake three tests in space this year if the president provided the necessary certification at least 15 days beforehand.

A statement issued by Mr. Speakes said that Mr. Reagan had certified to Congress that:

"The United States is endeavoring in good faith to negotiate with the Soviets a mutual and verifiable agreement on anti-satellite weapons."

Pending agreement on such strict limitations, the testing is necessary "to avert clear and irreversible harm to the national security."

The testing is in accordance with the Anti-Ballistic Missile Treaty of 1972.

Such testing "would not constitute an irreversible step that would gravely impair prospects for negotiation on antisatellite weapons."

It "constitutes an incentive for the Soviet Union to reach an agreement on these and other issues" in Geneva, he said.

The announcement came at a time when the United States and Soviet Union apparently have reached an impasse in the Geneva arms control negotiations that would include possible limits on anti-satellite weapons.

(Continued on Page 2, Col. 6)

McFarlane Considers Arms Control Unlikely

By David Hoffman

Washington Post Service

SANTA BARBARA, California

— President Ronald Reagan's national security affairs adviser, Robert C. McFarlane, has offered a deeply pessimistic view of the prospects for a U.S.-Soviet agreement to slow the arms race.

Ship Attack Jars Paris Politics

Suspicion of Incompetent Supervision Hangs Over Socialists

By Joseph Fitchett
International Herald Tribune

PARIS — For France's Socialist government, jarred in the sabotage of the Rainbow Warrior, the Greenpeace ship, accusations of incompetence in controlling the security services seem likely to be the main political price.

An investigation into the sinking of the Rainbow Warrior in New Zealand by limpet mines is expected to report this week that the operation was carried out by the DGSE, the General Directorate for External Security.

Known as the "piscine," or "swimming pool," because its headquarters are near a public pool in an industrial area of Paris, it is France's foreign espionage agency, similar in function to the CIA.

Each day, the Paris press provides more colorful details about moves of well-bankrolled French agents in the Rainbow Warrior operation, which resulted in the death of a photographer.

Reaction in France has been markedly free of debate about possible moral overtones of any likelihood of the incident becoming a "French Watergate."

Discussing the operation in a radio interview Monday, a centrist opposition leader, Jean Lecanuet, of the Union for French Democracy, said: "That is what secret services exist for."

A national consensus apparently supports the government's readiness to use violence — overt and covert — to protect the nuclear testing program in the Pacific.

But opposition politicians are

starting to attack the government for ineffective intelligence work.

Conservative commentators, saying that a Socialist bid in 1982 to purge the DGSE was a crippling episode, are saying that poor management by the Socialists explains why the operatives bungled the Rainbow Warrior mission.

The Socialists have always had strained relations with the DGSE, particularly its so-called Action Service whose origins date to the World War II Gaullist resistance.

Its agents, many of whom hold rightist views, are specialized in operations in former French colonies, especially in Africa.

A few Socialist politicians — for example, Max Gallo, a former government spokesman and now editor of the pro-Socialist *Le Matin* — complain that the government has undermined its own efforts to occupy the moral high ground on, for example, human rights.

Certainly, the publicity about French actions will intensify an anti-nuclear mood in Australia, New Zealand and other South Pacific nations. It could affect the diplomatic context of the troubled French territory, New Caledonia.

But opposition politicians, apparently reluctant to criticize the intelligence community, which they might end up controlling after legislative elections in March, have focused their attack carefully, charging that the government is trying to evade paying the political price for its mismanagement.

The Socialists have uneasy relations with the service, known until recently as the SDECE.

The service has periodically been

rocked by scandal, notably in 1965, when it helped Moroccan agents in Paris abduct and murder Mehdi Ben Barka, a Moroccan Socialist leader. That episode, and the SDECE's Gaullist roots, hardened the Socialists' antipathies to the agency.

Despite its checkered past, SDECE was spared the repeated treason cases afflicting Britain's services or the sustained bad publicity surrounding the CIA.

But in recent years, operating under the Ministry of Defense, it has placed increased emphasis on undercover operations, using military means or mercenaries. It neglected analysis, especially of the Soviet bloc, according to Pascal Krop and Roger Faligot, authors of a recent book, "La Piscine."

According to them, the agency, with roughly 2,500 full-time agents and at least as many voluntary "honorary correspondents," has concentrated its efforts in Africa, where it frequently operated in conjunction with French armed forces in supporting pro-Western black African governments.

Throughout the 1970s, the SDECE was headed by Alexandre de Marenches, a stout, energetic aristocrat known in Western intelligence circles as "Forbush."

He was trusted by President Georges Pompidou, who suspected that Gaulists in the agency had tried to smear him in a sexual scandal.

Under Mr. de Marenches, SDECE had problems. It repeatedly failed, sometimes publicly, in efforts to foment insurrection in Libya



Jean Lecanuet

ya against Colonel Moamer Qadhafi.

However, intelligence sources say that during the 1970s the SDECE gained the respect of Western governments for its work in Africa, especially after Congress curbed U.S. undercover activities.

When the Socialists came to power in 1981, President François Mitterrand resisted party pressure to disband SDECE. It was left under the control of the defense minister, Charles Hernu, an old friend of Mr. Mitterrand and, then as now, the Socialist most esteemed by the French armed forces.

But mutual suspicions remained. According to the authors of "La Piscine," the service adopted a "scorched earth" policy, destroying files in an effort to conceal its networks from the Socialists.

As a result, the Socialist government mistakenly backed a losing horse in Chad, a sensitive former French colony in North Africa.

It supported Goukouni Oueddeï because the Socialists had not been told that his rival, Hissene Habré, had just been resupplied in an operation involving the SDECE, the CIA and Egyptian intelligence.

Mr. Oueddeï declined to say when or where he met Mr. Museveni, commander of the National Resistance Army.

Talks between the rebels and the government appeared imminent on Aug. 13 in Dar es Salaam, Tanzania. Lieutenant General Tito Okello, Uganda's new head of state, showed up, but Mr. Museveni did not.

Mr. Oueddeï said two other major anti-Obote rebel groups, the Uganda Freedom Movement and the Uganda Federal Democratic Movement, have sent representatives to Kampala for discussions.

Mr. Museveni's insurgents fought the Obote government four years before the civilian president was removed. The guerrillas welcomed Mr. Obote's removal, but Mr. Museveni has demanded that his faction have a major role in structuring a new government.

Mr. Oueddeï said there have been "long and ongoing" contacts by telephone and telex between Kampala and the National Resistance Army. Mr. Museveni has agreed to a peace meeting, he said.

"The government's spirit of reconciliation remains intact. The door remains open for negotiations," the foreign minister said.

Mr. Oueddeï, who was Uganda's permanent representative to the United Nations during the Obote regime, also said that General Okello traveled to Kenya on Monday to meet with President Daniel Arap Moi and "deepen the very special ties between Uganda and Britain."

Charles Pasqua, the Gaullist leader in the Senate, said Monday that New Zealand had shipped arms and supplies to "saboteurs" in New Caledonia.

Mr. Lange told his country's parliament that there was "absolutely no truth" to the accusation. "It is a ludicrous and preposterous suggestion by a rather desperate seeker after publicity in an opposition party in France."

Mr. Pasqua made the assertion during a debate on New Caledonia that was dominated by reports of the sinking of the Greenpeace protest ship Rainbow Warrior in Auckland's harbor on July 10. The French Senate was debating a bill to bring New Caledonia to independence.

Mr. Lange had earlier rejected from Pretoria Bishop Tutu's request for a private meeting.

A spokesman for the U.S. State Department in Washington criticized Bishop Tutu for not meeting with Mr. Botha on Monday. "A refusal by any party to meet and negotiate only worsens the prospect of execution granted."

A Supreme Court judge Tuesday night granted the stay to Benjamin Molosi, 30, to allow new evidence to be brought. The outlawed African National Congress guerrilla group has claimed responsibility for the killing.

Policeman Kills Man in South Africa

The Associated Press

JOHANNESBURG — A black policeman accused by a black mob of collaboration with the government shot his way out of the crowd Tuesday, killing one man, police said.

Police said a crowd surrounded the officer as he was going to work in a black neighborhood near the white farming community of Bethal, 68 miles (111 kilometers) east of Johannesburg. Black police and municipal officials have been frequent targets during the current unrest.

Meanwhile, in the black township of Soweto outside Johannesburg, soldiers aided by attack dogs launched house-to-house searches, witnesses said.

It was the first time in a year of rioting in South Africa that the army has been sent house-to-house in the nation's largest black community, although similar operations have been conducted in the eastern Cape province.

There were no immediate reports

of casualties or arrests during the search operation.

It was not clear how large an area was sealed off. In other operations of that sort, the soldiers have said that they were helping police look for fugitives and ordering students to end their boycotts of classes.

The searches came a day after a delegation of clergy, including both blacks and whites, met with President Pieter W. Botha. They said the leader of the white minority government did not appear to recognize the seriousness of the unrest by the black majority.

Bishop Desmond M. Tutu, who refused to join the delegation that met with Mr. Botha, said the president was not inclined to negotiate with the black majority because of the military power at his disposal.

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Mr. Lange had been

Mr. Bangemann's secretary for 12 years, disappeared the first weekend in August, Tel Aviv originally came from East Germany. She apparently came to West Germany from Canada 20 years ago, informed sources said.

A spokesman for the Karlsruhe-based Federal Prosecutor's Office said Monday that a secretary employed by the privately run National Federation of Exiles, dealing with exiles from Eastern Europe, had vanished 10 days before, and that authorities are treating it as a spy case.

He identified the woman as Ursula Richter, 52, and said she had access to important information about prominent politicians who are active in the exile group.

Like the West German cabinet minister's aide who disappeared at

the beginning of August, Miss Richter originally came from East Germany. She apparently came to West Germany from Canada 20 years ago, informed sources said.

The newspaper Die Welt reported Monday that French counterintelligence had been asked to join the search for Sonja Linenburg, 60, the missing secretary of Economics Minister Martin Bangemann.

Miss Linenburg, who had been

Mr. Bangemann's secretary for 12 years, disappeared the first weekend in August after telling neighbors that she was going to Brussels.

Die Welt said federal prosecutors have learned that a beautiful named Sonja Linenburg lived in West Berlin until 1966, when she moved for unknown reasons to the Alsatian city of Colmar.

Intelligence officials have learned that soon afterward a woman using this name entered West Germany from France and lived in Offenbach, Hamburg and then Bonn, Die Welt said. This was the person who became Mr. Bangemann's secretary.

■ Rotsch is indicted

Manfred Rotsch, the former chief engineer of West Germany's leading aerospace company, has been indicted on charges of providing the Soviet Union with details of a multipurpose European jet fighter.

The Associated Press reported from Karlsruhe.

Mr. Rotsch, 61, was arrested in September 1984 and has been in

jail since then. His indictment, on charges of espionage and revealing classified secrets, was issued Aug. 1, 1984, informed sources said.

Prosecutors said Mr. Rotsch, chief engineer of the aircraft construction department of Messerschmitt-Bölkow-Blohm GmbH, outside Munich, gave Moscow details of the Tornado fighter plane built by Italy, West Germany and Britain.

The chief federal prosecutor, Kurt Rehmann, said that Mr. Rotsch, who was born in Czechoslovakia, began spying for the Russians in 1954 when he lived in East Berlin.

Mr. Rotsch got a job with an aircraft maker in Stuttgart in 1955 on instructions from the Soviet KGB and continued spying when he went to work for another company in 1964, Mr. Rehmann said. He began working on the Tornado project in 1970.

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AMERICAN TOPICS

The lime-green mansion of Sheikh Mohammed al-Fassi, gutted by fire five years ago and in disrepair since, fell to bulldozers Monday as residents of Beverly Hills cheered.

Beverly Hills Cries Not Over Eyesore's Demise

As bulldozers roared into action, hundreds of Beverly Hills, California, residents raised plastic cups of wine this week in a toast to another razing: The demolition of the once-elegant mansion made infamous in 1978 when purchased by the family of Sheikh Mohammed al-Fassi; it became known as the lime-green eyesore.

Built in 1917 on some of Southern California's most expensive real estate, the Italian Renaissance mansion had long symbolized Beverly Hills chic. But something of a scandal developed when the billionaire Saudi sheikh's father, Mohamed Shansuddin al-Fassi, paid \$2.4 million for the estate and the mansion was painted lime green, plastic flowers were planted in the garden and bright colors were used to highlight garments on the garden's white plaster nude statues.

Earlier this year, Caesar Lopez Jr., a developer, acquired the building and 3.5-acre (1.4-hectare) grounds for an undisclosed sum. He gained approval from the Beverly Hills City Council to build two new estates — each for about \$10 million — and was on hand Monday as the residents of

Beverly Hills prepared to bid farewell to the city's "Grand Old Dame."

"Gentlemen, start your engines," Mr. Lopez called to the bulldozer operators, and 68 years of opulence came crashing down.

Short Takes

The Environmental Protection Agency has put an end to LUST — at least on paper. Agency bureaucrats had used the whimsical acronym in reference to "leaking underground storage tanks" and its program to protect groundwater from their contamination. But Winston Porter, the new assistant administrator of EPA for solid waste, instructed his staff last week not to use the acronym, opting instead for UST, because the EPA was monitoring all underground storage tanks, leaking or not. "Now," he said, "we'll LUST only in our hearts."

In a newsletter to his constituents, Representative Thomas E. Petri, a Republican of Wisconsin, complained about the formidable task of containing congressional spending. "There's \$1.4 million for garage attendants," he said. "No, they don't park cars. No, they don't guard the garage doors — we have a Capitol police force equal to that of the city of Indianapolis to do

Compiled by AMY HOLLOWELL

New Government in Brazil Espouses Campaign on Official Corruption

By Alan Riding
New York Times Service

RIO DE JANEIRO — Long before it left office five months ago, Brazil's military regime had been found guilty of corruption by the jury of public opinion. Now the supporting evidence is beginning to surface.

Almost daily, Brazilian newspapers and officials of the new civilian government have been revealing details of kickbacks, padded payrolls, milked bank accounts and other illegalities that apparently flourished under past administrations.

This month, the new minister of industry and commerce, Roberto Gusmão, announced that three government agencies, dealing with coffee, sugar and tourism, would be dismantled because they were riddled "with a high degree of corruption."

President José Sarney also has pledged an "implacable" battle against corruption and has clamped down on the high salaries, rent-free homes, executive jets and other government-financed privileges that senior officials now are found to have had in much of the 21 years of military rule.

The revelations appear to have the essentially political purpose of underlining the perils of authoritarianism rather than pressuring legal action.

Many Brazilians remain skeptical, suspecting that, for fear of alienating the armed forces, the government will not clarify some of the most notorious scandals. They also seem convinced that no key figure of the former regime, military or civilian, will end up in prison. So far they have not been surprised.

The quandary of how to deal with past abuses of power is common to other Latin American countries that have recently returned to democracy. In Argentina, former military rulers are being tried for their role in the disappearances of thousands of purported leftists, and the Uruguayan Congress is similarly investigating past human rights abuses.

But in Brazil, where a 1979 amnesty benefits both former terrorists and security forces blamed for murder and torture, the main unresolved issue is corruption. And this, the new government argues, should be handled through the country's courts.

In the experience of many Brazilians, however, corruption in the country's legal system is itself a major obstacle to the application of the law. "Most judges are like amateurists," one businessman said. "That's how cases are resolved. They sell off their verdicts to the highest bidder."

This month, four bankruptcy court judges were suspended by a special tribunal on charges of committing "irregularities." It was the first time in recent memory that judges had been penalized.

A still more publicized case involves a businessman and banker,

Mario Gamarro, who has been charged with embezzling the huge private Brasiliense group that he headed. Five months ago, the new finance minister, Francisco Dornelles, declared that Mr. Gamarro should be jailed, but this has not occurred and the case is proceeding slowly.

As a result, "trial by media" has become a popular method of dealing with the past.

Similarly, several other former ministers already have earned reputations for corruption through de-

nunciations published in the press. One has even been nicknamed "Mr. 10 Percent," referring to the commission he purportedly received on major government contracts. But none have been formally charged.

A clampdown on rackets within the social security system, however, did lead to the arrest of several hospital administrators. The new minister of social security, Waldy Pires, recently said that the system's financial deficit had been sharply reduced by eliminating much of its internal corruption.

Africanized bees are known as "killers" not because of their sting, which is similar to that of a native honey bee, but because they are easily aroused, massing in great numbers to attack humans or animals. Last week, in an effort to isolate them in Kern County, California, the Agriculture Department

in an arid oilfield near Lost Hills, California, officially discovered a colony of the hybrid, which is now native to South and Central America. The Agriculture Department believes the bees came north aboard a ship carrying oil-drilling equipment.

In Yugoslavia, jail for theft

Agence France-Presse

BELGRADE — Seventy-one persons were jailed Monday in Yugoslavia's province of Kosovo after being found guilty of stealing 13,784 kilos (30,361 pounds) of silver from a mine, the Tanjug news agency reported.

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Laxalt's Departure Raises Democrats' Hopes for Senate

By Sara Fritz
Los Angeles Times Service

WASHINGTON — The announcement by Senator Paul Laxalt, a Republican of Nevada, that he will not seek re-election in 1986 has raised the Democrats' hopes of capturing control of the Senate.

Mr. Laxalt, a two-term senator, said Monday he was bowing out for family reasons, but would continue to serve as general chairman of the Republican Party through the end of his term in January 1987.

The Senate seat of Mr. Laxalt, 63, has been considered a solid Republican seat. The senator's close friendship with President Ronald Reagan has made him one of the most influential Republicans in Congress.

With 22 Republican seats up for election in 1986, Senator Laxalt's decision was seen as a serious blow to the efforts of Republican leaders to maintain their 53-47 majority in the Senate.

The Democratic Party will invest its full resources in Nevada as a potential key state for victory in 1986, said Senator George J. Mitchell of Maine, chairman of the Democratic Senatorial Campaign Committee.

"Senator Laxalt's retirement announcement today must add to the Republicans' continuing fears of losing control of the Senate," Mr. Mitchell said. "If the general chairman of their party declines to seek re-election, the Republicans must know their slim majority is quickly slipping away."

Similarly, Paul G. Kirk, chairman of the Democratic National Committee, described it as a "major boost" to the Democrats' prospects for regaining control of the Senate.

Frank Fahrenkopf, chairman of the Republican National Committee, said that he and Richard Wirthlin, a Republican pollster, spent two days last week with Mr. Laxalt, trying to persuade him to seek re-election.

According to the party chairman, Mr. Wirthlin showed Mr. Laxalt polling data indicating that any other Republican would have trouble holding on to that Nevada Senate seat.

Friends insisted that Mr. Laxalt's decision had nothing to do with a \$250-million libel lawsuit filed by the senator against the McClatchy Newspapers chain. The chain published an article alleging ties between Mr. Laxalt and organized crime figures in connection with a casino he owned from 1972 to 1976.

The case recently entered the discovery phase, in which the defense hoped to interview people linked to organized crime about their ties to Mr. Laxalt.

Some observers, however, said they believe that Laxalt already has managed a major victory that could leave its imprint on libel litigation.

Two months before last year's presidential election, the CBS and ABC television networks canceled reports about Mr. Laxalt after the senator warned them he was filing the lawsuit. Since then, McClatchy has filed a \$6-million countersuit alleging that the senator contrived the suit to scare the press away from reporting on him.

If successful, some press representatives say, McClatchy's counterclaim tactic may be adopted by other press organizations seeking to discourage libel suits.

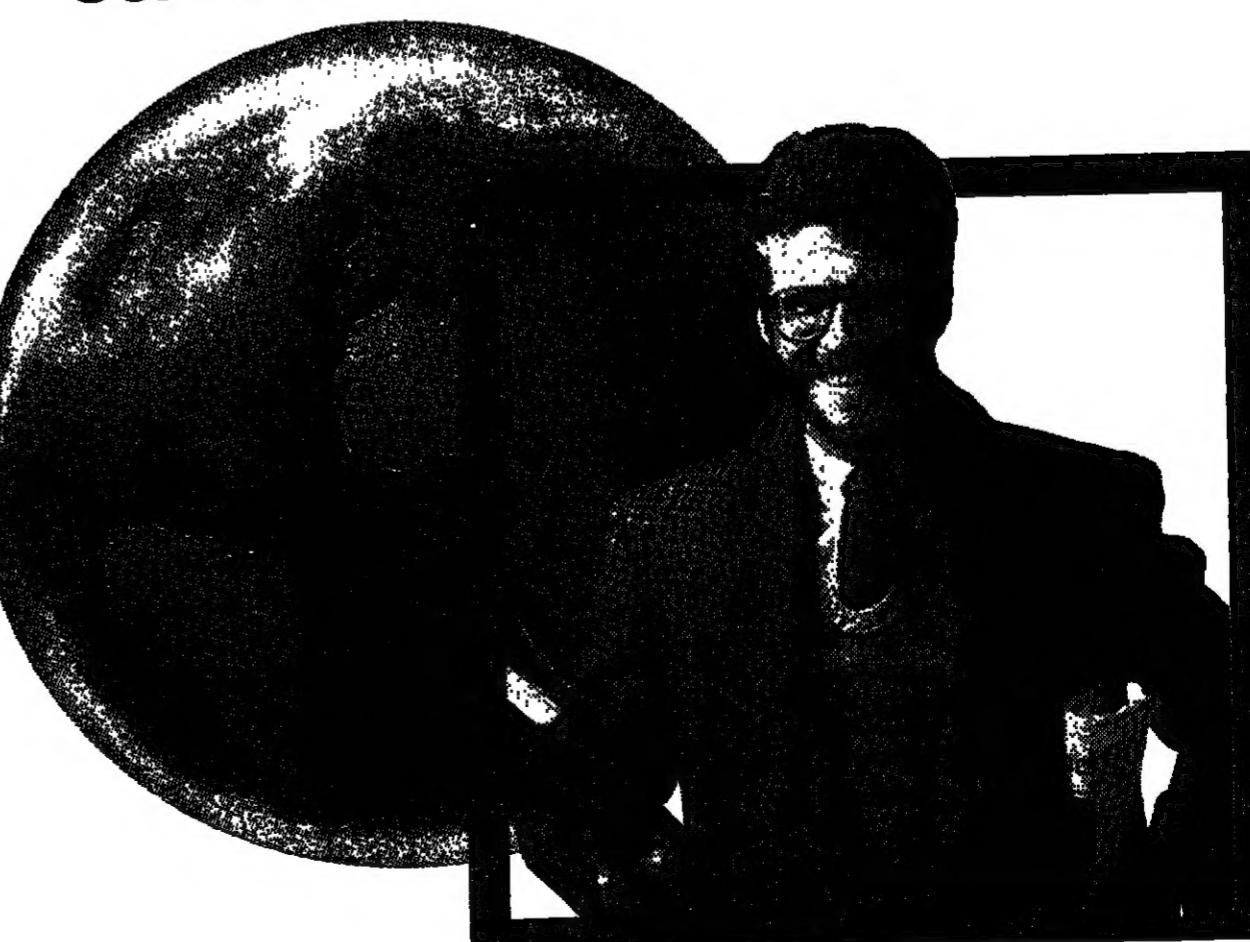
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Not at White Convenience

In South Africa it is the black man who bears the burden — not just the burden of repression at the hands of the white government, but also the burden of proving its open-mindedness and unending patience where the government's obdurate resistance to lessening the repression is concerned. "No hard feelings," he is expected to say. "Take your time. Do it your way. No big deal."

Increasingly a number of people on the outside have taken to discussing current relations between whites and blacks in South Africa as if they were dealing with two equally intractable parties to a tiresome labor dispute or a fight over automobile accident insurance. It is forgotten that one of the parties to this dispute — the government — is committing a terrible, continuing crime against the other. The blacks are merely calling on it to stop perpetrating that crime now. The white government says it may consider leaving off doing some of the things it is doing in good time, but only if its victims behave a certain way first.

These victims must, for instance, vow not to resist the injustices inflicted upon them; they must forswear not only violence, but also nonviolent civil disobedience (of the kind that peacefully desegregated lunch counters and other institutions in the American South). Then they must come along to meetings at the behest of the government, respecting the government's timetable and represented by those whom the government sees fit to include as their spokesmen and bargainers. They are, in other words, to enter on these chancy negotiations stripped of as much dignity as the gov-

ernment can manage. It is all to be done at the white government's convenience.

Apparently there are those in the U.S. government who believe that Bishop Desmond Tutu, having been rebuffed in his quest for a one-on-one meeting with President P.W. Botha, was wrong to refuse the request that he simply turn up with a selected group of other clerics whom Mr. Botha was seeing three weeks later (to no avail, as it turned out). The state went out of the White House and the State Department both, although strangled as increasingly these pronouncements are coming to be, carried a strong hint of reproach: Gosh, there were those white folks good enough at last to let him in the door and Desmond Tutu goes and gets picky about when and where and how he will talk. The nerve...

Within the U.S. government and elsewhere over the past few days a gigantic effort has been made to find benign meaning in the grating, uncharitable text of President Botha's address to his Durban constituents last week. Some of the consolation they have drawn from that speech required a search for ambiguities and allusions that probably are not there. But the point is that even if they are, what the search has yielded up is pitiful. More precisely, it is insulting. Maybe, the government is said to be hinting, if you are extremely good girls and boys and do it our way, we will in time fall with you or those of you we feel like talking with about loosening a shackles or two.

Forgive us, we don't think Desmond Tutu is the one who needs the public reprimand.

— THE WASHINGTON POST.

Three Economic Hostages

The likely contenders for the Republican Party's presidential nomination in 1988 have all made themselves, in different ways, hostages to the course of the economy over the next three years. Each has identified himself — or put himself in a position where he is bound to be identified — with an economic program. Plausible cases can be made for each set of prescriptions and predictions today. But these cases are unlikely to seem equally plausible two and half years from now.

Senator Robert Dole thinks that America faces dire economic consequences if the deficit continues at the \$200-billion level. Underlying this stand is an assumption that, absent the deficit problem, things will go tolerably well. You may need to adjust farm programs and be more generous with food stamps (both causes championed by Mr. Dole) but you do not need major changes to get America moving at a decent pace again. These views will be tested by events. If taxes are not raised and spending is not cut much, and if deficits continue with dire consequences, Mr. Dole will be vindicated. It will also help if he can lead Congress in the direction he attempted this year, and things get better. But if deficits continue and the negative payoff does not come in time for him politically, his stock will fall.

Similarly, events will test the quite different economic theories of Representative Jack Kemp. He is brimming with confidence that the economy will grow exuberantly if only it is freed from the shackles of high taxation and tight money. Mr. Kemp wants something like

— THE WASHINGTON POST.

Other Opinion

Trade Competition Accelerates

We should not assume that a fall in the dollar will remove the trade deficit or restore America's competitiveness in world markets. Having penetrated the U.S. market, developed marketing networks and gained product recognition, foreign producers will struggle — and accept smaller profit margins, if necessary — to preserve their market position when the currency advantage diminishes.

The strong dollar accelerates the flood of imports at present, and it may well camouflage another harsh reality — namely, that the import challenge would have come anyway.

Significant structural forces are at work, which over the long term are working to integrate and internationalize the world economy. The result is to intensify competition in previously sheltered national markets for standard consumer and capital goods. One such unifying factor has been the gradual decline of tariff barriers since World War II. Another has been the general reduction in shipping costs, resulting from supercarriers, large bulk carriers, container ships and wide-bodied aircraft.

In the competitive world economy of the 1990s, it may be more difficult than ever to boost U.S. exports, as South Korea, Taiwan and Brazil increasingly move up on the product ladder to be replaced by India, China and others in the production of standard consumer goods like shoes and textiles. I ask: Are Japan

— The Daily Telegraph (London).

FROM OUR AUG. 21 PAGES, 75 AND 50 YEARS AGO

1910: Egyptian Gets German Degree
BERLIN — An Arab sheikh, Hamed Waly, of the Aghar Mosque and the Dar-ul-Ulum (the House of Science) in Egypt, who acts as lecturer for the Arabic language in the Berlin Oriental seminary, has just been given the degree of a doctor of medicine "summa cum laude." This is the first time that an Egyptian savant has been given a German university degree. Sheikh Hamed Waly is the first student of the Aghar Mosque (the great Mohammedan university attended by 20,000 students) to devote himself to the study of medicine. His thesis was "Three Chapters from the Medical Career of Ibn-Abi-Ossibah," the famous Arabian medical man and writer of the 13th century.

1935: Jews' Harp Boom in Britain

LONDON — Skilled tongue-setters for Jews' harps are at a premium in England, which is now exporting hundreds of thousands of Jews' harps to the United States. Birmingham, which is the only city in the world where Jews' harps are made, has been enjoying a boom in this product owing to the increasing popularity of Jews' harp bands in America. The tongue-setters, who are responsible for the adjustment of the metal strip which vibrates to produce the sound, have to be trained for several years, for if the strip is the tiniest fraction of an inch out of adjustment the tone is ruined. One Birmingham firm is producing 100,000 harps a week for export to the United States.

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Against Chemical Weapons

By Karsten D. Voigt

The writer is the Social Democratic Party's foreign policy spokesman in the Bundestag and chairman of the party's group on chemical disarmament.

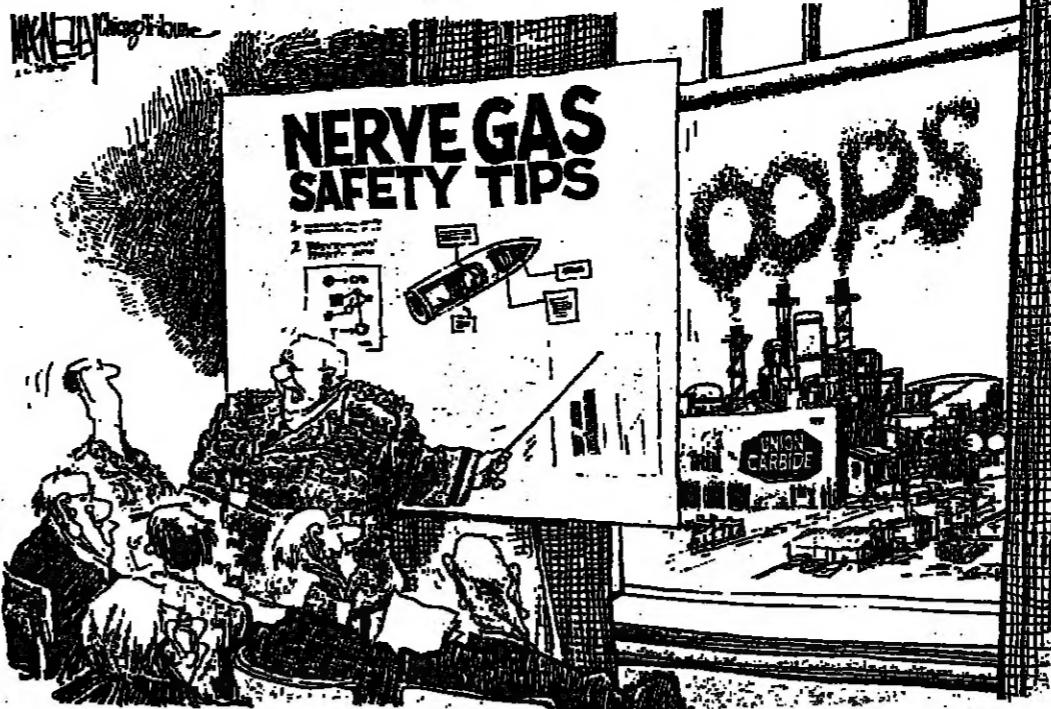
BOTH — The U.S. Congress has renounced America's moratorium on production of chemical weapons. This could have grave and lasting effects on West Europeans' attitude toward the Atlantic alliance.

The authorization measure before the House does not require the allies' consent for production of chemical weapons. Yet what the Reagan administration euphemistically calls the "modernization" of chemical arms — a new generation of weapons — and the discussion of their deployment in West Germany may trigger a protracted dispute much like the one over the installation of new intermediate-range nuclear missiles.

Central Europeans have only recently grasped what it would mean to have advanced chemical weapons on their territory, and reactions have not been favorable. Consider the skeleton agreement concluded in June between the Social Democratic Party in West Germany and the ruling Socialist Unity Party in East Germany. After a year of talks they produced a framework for a future treaty that would set up a chemical-weapon-free zone in Central Europe.

It is only a party agreement; it may well not be realized until the Social Democrats return to power. But it may stimulate government action in the meantime. Even as an unrealized model treaty, it is an important first step toward European disarmament and German cooperation.

The chemical-weapon-free zone would include at least the countries on the border between the two blocs — East and West Germany and Czechoslovakia — and perhaps later, Poland, Belgium, Luxembourg and



'And so you see, Senators, with good old American quality control, and . . . GOOD GRIEF, Major! What was that?'

the Netherlands as well. Other nations could join as they wished.

The countries that did participate would not produce or acquire chemical weapons. After a certain grace period, they would also be required to ask other nations to remove all chemical weaponry deployed on their territory or in adjacent countries.

Neither West nor East Germany disposes of its own chemical weapons. The existing stores were produced in the United States and the Soviet Union and are controlled by them in accordance with the defense plans of NATO and the Warsaw Pact. An effective treaty would therefore have to limit the capabilities of the United States and the Soviet Union to maneuver their chemical weaponry in Central Europe.

It is only a party agreement; it may well not be realized until the Social Democrats return to power. But it may stimulate government action in the meantime. Even as an unrealized model treaty, it is an important first step toward European disarmament and German cooperation.

The key to effective restrictions would be effective verification. In formulating the skeleton agreement, we concluded that a mixture of national and international controls designed to allay mutual suspicions would have the best results. All par-

ties to the treaty would be responsible for coming up with measures for national verification, but international verification would be administered by a permanent international commission that would hear complaints and perform on-site inspection of stockpiles and production facilities.

We believe that such a regional approach — and the trust that it would build through cooperation and exchange of data — could help the United States and the Soviet Union break their deadlock in the multilateral negotiations about chemical weapons taking place in Geneva.

The ultimate purpose is and remains the worldwide abolition of all chemical weapons. In the interim, however, regional measures are easier to realize, since fewer countries are involved; the problems addressed are more specific and regional treaties are easier to negotiate.

The civilian population of Central Europe would be the first to witness the devastating effects of any chemi-

cal weapons used on the Continent. We do very much want to maintain the security we have achieved in the past 20 years, but chemical weapons do not add to that security. Nor do they add to deterrence.

It has been suggested that this joint effort by the West German Social Democrats and the ruling party of East Germany is meant to demonstrate to the superpowers that smaller countries in the center of a possible future armed conflict will take the initiative for disarmament talks into their own hands.

Other people interpret the agreement as an effort to test the limits of the room for maneuver that the superpowers leave their respective European allies. There could be some truth to both interpretations.

But there was another reason why representatives of the two Germans came together to think about common action: the deep conviction that peace, and never again war, should emerge from German soil.

The New York Times.

Confusion On the Way To Market

By Anthony Lewis

ELFING — Imagine a bicycle manufacturer who finds that he has to pay sharply different prices for his steel — from \$225 to \$700 a ton for the same steel products. Now you have an idea of some of the strains that China's economy is undergoing as it moves toward a market system.

Bicycles are necessities in China, and so the national planning system requires that every bicycle enterprise make a certain number at a fixed price. The manufacturers get steel at a fixed price, too — about \$225 a ton. But the bicycle manufacturers who meet their official quotas are encouraged to go on and make more. They can sell those bicycles at free market prices, but they also have to buy steel at higher market prices. They obtain it at 600 "productive materials markets" around the country where industrial goods are traded. Or they can barter bicycles for steel.

Complicated? A Chinese economist who advises the government on reform programs uses the word "chaos" in talking about the price system.

Another economist, Song Tingming, of the State Commission for Restructuring of the Economic System, said that the aim is eventually to end the two-price system. "We'll reduce the supply of fixed-price materials bit by bit, year by year," he said. "And enlarge reliance on the market."

One reason for phasing out the system of fixed prices for basic necessities is that it relies on state subsidies, which are extremely costly. Every kilogram of cooking oil sold at the fixed price costs the government about 60 cents. Subsidies for staple foods add up to \$5.5 billion a year.

Non-staple food prices were freed in May. Mr. Song said the intention was to free staples such as grain, too, in time. He emphasized the need for caution. "We have to let people get used to the idea of prices changing," he said. "We cannot run fast at first."

Moving industrial prices toward a market basis, which is just beginning, is especially tricky because of the local interests involved. Industrial enterprises may be set up not only by the national government but also by provinces and counties, with each fixing its production targets and prices. The city of Yingkou, for example, set up a factory that makes 200,000 washing machines a year with know-how from a Japanese company.

Abandoning all rigidity and going to a market system would be traumatic, in the short run at least, because materials are in such short supply that prices would leap. China has seller's markets in just about everything. Steel is so short, and hence so costly on the free market, that the local producers mocked as "backyard steel mills" in the Great Leap Forward 30 years ago have reappeared.

Apart from prices, another fundamental dilemma of the economic reform process is the notion of failure. In a competitive system the inefficient are supposed to fail. Is that notion acceptable in China? "Failure is the core of the problem," the economic adviser I met said. "If we don't allow failure, the nation or locality has to subsidize the enterprise."

Bicycles indicate the problem. China has three bicycle companies whose brands are valued and are in short supply everywhere, while others are in surplus. Shouldn't the latter manufacturers be allowed to fail?

But in the People's Republic the enterprise is the basic social provider. It provides health care to its employees, and pensions. If it is allowed to fail, where will the safety net come from? The economic reformers are talking about a national scheme of social insurance, perhaps handled by an independent financial institution.

Listening to the reformers, one has to forget all past notions of what a socialist system may do. Mr. Song remarked that individual bank savings had reached nearly \$50 billion and that there were plans to put that money to work in solving the housing problem. Families would be able to put their savings down for private commercial housing.

The changes to make the economy responsive to market principles are staggering to contemplate. A whole new system of business taxation has started. Officials say there will have to be bankruptcy laws. Accountants, tax collectors — one's head swims.

The complications all present a chance for skeptics and conservative opponents of reform to fight the process as it goes on. No outsider can accurately weigh the chances of it going ahead. But the undoubtedly successes so far — the sharp gains in agricultural production and in the variety of retail goods available — give a certain momentum as the forward industrial task of reshaping a backward industrial economy begins.

The New York Times.

LETTER TO THE EDITOR

Nairobi Has Survived

Putting up 15,000 guests at the United Nations women's conference and the Non-government Forum '85 was rough on Kenyan hospitality. Three weeks of "equality, development and peace" rattled Kenyan culture face to face with Nairobi's lot.

Some 2,300 Vietnamese make up the most recent group of immigrants to escape poverty and political upheaval for the security of southern Mississippi. A Nigerian doctor came to Hattiesburg in 1977, filling a large void in the black community. Chinese newcomers have opened restaurants who once thought of dining out only

to world scrutiny and caused a city-wide face lift for Nairobi. Official antics and local gossip spread waves of culture shock in delegate ranks.

If we were caught off guard, Kenya was clearly not ready for us. A severe bed shortage was met with traditional stress-reducing techniques. (nod, smile, reassure), yet the problem persisted. The organizing committee had been non-prepared for months. Last winter's reservations floated on scraps of paper around Nairobi Conference Center's phallic tower.

Tourists absent on safari were evicted to make room for Forum '85 delegates who were later displaced by the UN sisters. "Imperialism!" we cried,

and stomped back to our workshops.

Comfort came from the minister of culture with an explanation of Kenya's free press at the opening press conference. "Feel free to write about us." Avoid 'provocative journalism.' Quote 'the right sources.' And "do not force me to defend myself."

The "Daily Nation" and "The Standard" dish up national politics as a social register and reserve their space for international scandal. Kenyan news diet is thus a comfortable mix of business fraud, gone and caravans or wife-beating.

Newroom fraternities eagerly followed the conference in the human interest pages. "30,000 legs covered by 15,000 skirts" was an exciting prospect until their own wives were influenced by the militant women.

To start "asking me to wrap nappies around Junior and open the door for her when she returned home from the pub." Columnist Mambo, alias the Daily Mail, was concerned lest Kenyan women join an international

MICHAELA SCHNEIDER
Aldenay, Chamel Islands

Mozambique Looks Increasingly to West

By Alan Cowell
New York Times Service

MAPUTO, Mozambique — When Mozambique celebrated its 10th anniversary of independence from Portugal in June, it was not surprising that the guests included several Russians, who arm this Marxist country, and others from countries professing socialism.

But in the viewing stands was another figure, the British financier Roland ("Tiny") Rowland, whose company, Lombaro, was once described by Edward Heath, the former British prime minister, as the "unacceptable face of capitalism."

Mr. Rowland was in Mozambique to buy a hotel and some farms. And he, too, was an honored guest.

At the time of independence from Portugal on June 25, 1975, in the heady flush of victory and newly won power, the presence of such a representative of Western acquisitiveness might have seemed unlikely in a nation that saw itself as Communism's new bridgehead.

In the last decade, however, the pressures of war and famine and economic decline have forced Mozambique to embark on a turn toward the West. But a senior Mozambican official said that the shift, accelerated by a U.S.-brokered nonaggression agreement with South Africa last year, seemed to have brought few results.

"There are some," the official said, "who are beginning to see that turning to the West has brought us very little in return."

"And as far as South Africa is concerned, the agreement has given us a dilemma," he said. The nonaggression pact was supposed to halt a widening insurgency promoted by South Africa in Mozambique.

But the official said, the accord is becoming "less and less defendable" because the conflict has not stopped, despite South African avowals that it no longer supplies the rebels.

"The problem," the official said, "is that if we tear up the agreement,

the dogs of war will really be unleashed" again by the South Africans.

The gloomy view of the West is disputed by some Western envoys, who argue, for instance, that without Western food aid during a crippling drought, many more Mozambicans would have died of hunger.

Moreover, one diplomat said, the people of Mozambique know that their food comes from the United States and elsewhere and so are thankful to Western countries for the rice and butter, as against the Soviet arms supplies.

Yet, to a visitor who has been coming here for the last eight years, the reality seems less comforting, and the evidence seems to point to continued decline that will compel President Samora M. Machel to rely on a variety of outsiders for many years to come.

It is acknowledged that the hope for economic recovery and, increasingly, of acquiring new military skills, lies with the West. To win this support, Mozambique has bowed to Western pressures to join the International Monetary Fund, has signed a trade agreement offered by the European Community to developing countries and has begun several other measures designed to show Western countries that, for all its Socialist slogans, the country is no stooge of Moscow.

That much seems to be accepted by the Reagan administration, which earlier this year sought \$1 million in nonlethal military aid for Mozambique. Congress blocked the move.

Still, the offer heartened some people here, who took it as a sign that the administration did not view Mozambique as a land where the foes of Marxist rulers should be supported, in contrast to places like Angola, Nicaragua and Afghanistan.

In acknowledging the failure of Soviet support to counter the insurgent Mozambique National Resistance, Mr. Machel also seems to be

stance, have supplied advanced Mi-24 helicopter gunships for the fight against the insurgents, but the helicopters sit idle at the Maputo airport, without fuel.

The insurgency has paralyzed the nation, but Mozambican officials insist there can be no political settlement with the rebels. Rather, the solution is seen in military terms. There, other problems arise.

At independence, said a Mozambican scholar with close ties to the authorities, the government sought to transform a guerrilla force that had fought the Portuguese into a Soviet-trained and equipped conventional army facing South Africa. That attempt now seems to have been misguided.

"There is a process of rethinking in the army," the scholar said. "There were brilliant guerrilla commanders, but it is very difficult to see them transformed into the commanders of a classical army."



Samora Machel

Malaysia Fears Increasing Influence Of Islamic Extremism in Public Life

By Barbara Crossette
New York Times Service

KUALA LUMPUR, Malaysia —

With national elections expected early next year, political leaders are expressing fear of what they see as the growing influence of Islamic fundamentalism on public life. The government has served notice that it will not tolerate the trend.

"Religious extremism could threaten the very fabric of life and destroy the very success that we have achieved thus far," Musa Hitam, a Moslem who is deputy prime minister and home affairs minister, recently told foreign journalists.

Sectarian revisionism is having profound effects, notably in Iran and other Middle Eastern countries. Here in Southeast Asia, Malaysians think Malaysians may one day rework their choice, but the system has worked under the tolerant form of Sunni Islam introduced centuries ago with the conversion of Malaysians.

Fundamentalists now threaten the equilibrium, officials said. In April, Islamic proselytizing and economic policies favoring Malays caused a reaction that helped unite Christian Chinese and Kadazans. They upset the Moslem-led government there and formed Malaysia's first Christian state administration.

As Malaysian dancers in colorful garments entertained his dinner guests, Mr. Musa said he was encouraging folk arts and asking national television to show the popular, even risqué, sides of Islamic culture in countries such as Egypt and Tunisia. "I want them to know there can be happiness, love ... sin!" he said.

So sensitive is the subject in Kuala Lumpur that when reports of most of Mr. Musa's remarks to the foreign correspondents appeared in local newspapers, his comments on Islam were omitted.

Mr. Musa, who has a graduate degree in international affairs from Britain's Sussex University, said he was aware that steps Malaysia might take to control religious extremism could seem undemocratic in the West.

"It is an irony in the political world," he said, "that the anti-democratic forces would always try to appeal to democratic principles to succeed. They would be the first to be critical of such so-called suppressive laws. But whenever they have the chance to be in power, my God, they go much further than that."

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Which makes one think ... why not invest in a Patek Philippe?



FOR MASTERS OF THEIR TIME.

Tamils fleeing the racial violence in Sri Lanka sought refuge Tuesday at temporary camps.

Tamils, Sri Lanka Will Reopen Talks In Bhutan, Indian Officials Report

By Sanjoy Hazarika
New York Times Service

NEW DELHI — India has succeeded in inducing Tamil leaders to renew peace talks with the government of Sri Lanka, Indian officials say.

An Indian spokesman said that talks will resume later this week in Thimbu, Bhutan, after six members of the Tamil delegation, who walked out of the negotiations and flew to Madras on Monday, complete consultations on strategy. The Sri Lankan Tamils have used the southern Indian Tamil city of Madras as their headquarters.

The Sri Lankan government is expected to make new proposals regarding Tamil ethnic demands for greater political autonomy.

The Indian announcement Monday followed a diplomatic effort to salvage the negotiations, which seemed to have collapsed after the militant Tamils accused Sri Lanka of massacring more than 400 Tamils last week, and walked out on the talks. The Sri Lankan government has denied the accusations.

Earlier, Tamil radicals called for a renewal of fighting against government troops, which would have destroyed a fragile truce that was negotiated three months ago.

Anton Balasingham, who is a leader of the largest insurgent

group, the Liberation Tigers of Tamil Eelam, said in Madras: "There is no meaning in the ceasefire. It is better for the Tamils to fight and die rather than die without fighting." He spoke after the reports of massacres.

The peace talks began last month at India's urging. The Tamils, an ethnic minority representing 18 percent of Sri Lanka's population of 16 million people, have been demanding a separate state.

A government spokesman in Colombo said Sunday that 37 Sinhalese fishermen had been slain in the Trincomalee area and that the death toll in three days of clashes was 92.

Despite the violence and ensuing walkout, nine other Tamil leaders remain in Thimbu. They have had no contacts with the Sri Lankan negotiating team.

The Indian foreign secretary, Ramesh Bhanderi, flew to Thimbu last weekend in an effort to salvage the talks. He was reported to have urged Sri Lanka to curb the violence and to offer new proposals that would give greater autonomy to the Tamils.

Sri Lanka has suggested that the Tamils eventually be given control over elected district and provincial councils, which would be autonomous. The Tamils want a separate state.

Earlier, Tamil radicals called for a renewal of fighting against government troops, which would have destroyed a fragile truce that was negotiated three months ago.

Anton Balasingham, who is a leader of the largest insurgent

Proposed Amendments in U.S. Law On Extradition to U.K. Are Assailed

New York Times Service

SAN FRANCISCO — Proposed changes in an extradition treaty between the United States and Britain that would allow the transfer of people accused of political crimes have become an issue in the cases of two men fighting extradition to Britain.

Attorneys for the men, William J. Quinn in San Francisco, and Joseph P. Doherty in New York, said that the Reagan administration is trying, through the new treaty, to jettison important distinctions between terrorist activities and politically motivated acts of insurrection that have been carved out by U.S. judges in several recent cases.

The extradition treaty with Britain, which has been in force since 1972, forbids extradition if the charges are "of a political character." This concept is undefined in the treaty, leaving the courts to decide who is exempted case by case.

Mary Borese Pike, a lawyer for Mr. Doherty, said: "Consistent decisions from the federal courts to the effect that offenses committed in Northern Ireland in connection with the ongoing insurrection there are political offenses and not acts of common criminals are matters of international embarrassment to the British."

The proposed treaty amendments, awaiting action by the Senate Foreign Relations Committee, would sharply circumscribe the so-called political offenses exception to extradition by eliminating such acts as murder, possession of a firearm with deadly intent, and conspiracy to commit bombings, from being classified as political acts.

Patrick S. Hallinan, a San Francisco attorney representing Mr.

Quinn, said placing such limits on the political exceptions would remove "the protection which most people who fled tyranny in other countries had when they came and settled this land." He added: "You can tear down the Statue of Liberty right along with it."

The State Department and the Justice Department maintain that the amendments are necessary to ensure the United States does not become a haven for terrorists.

Stephen S. Trott, head of the Justice Department's Criminal Division, said that the charges that have been leveled against Mr. Doherty and those pending against Mr. Quinn are "common terrorist acts of violence."

Morton H. Halperin, director of the Washington office of the American Civil Liberties Union, which has been asked to testify at the public hearings before the Senate committee in September, said that while fugitives who "blew up a department store or threw bombs at people on the street" should be turned over as terrorist, extradition should continue to be denied for "some violent acts that are part of a traditional rebellion against a government."

Mr. Doherty, an IRA member, was found guilty by a British court in Belfast in 1981 of killing a British soldier and was sentenced to life in prison. He escaped and was arrested in New York in 1983.

In December, Judge John E. Sprizzo of Federal District Court ruled against returning Mr. Doherty to Britain, basing his decision on the political offenses doctrine.

Judge Sprizzo reasoned that because the person Mr. Doherty killed was a soldier rather than a civilian and because Mr. Doherty

had been serving in the context of a political uprising.

A Defense Ministry spokesman said Tuesday that the warrant officer carrying a loaded pistol was arrested in Scotland near Balmoral Castle, where Queen Elizabeth II and other members of the British royal family were vacationing, the Defense Ministry said Tuesday.

But officials denied reports that senior army officers feared that the man, who was absent without leave, had planned to assassinate the queen.

A Defense Ministry spokesman said Tuesday that the warrant officer, Paul Rowan, went AWOL Aug. 12 from near the central English town of Leicester with "a pistol and some ammunition." He said that Mr. Rowan was arrested Friday within several miles of Balmoral Castle.

The Leicester police said that Mr. Rowan belonged to the Pay Corps and was attached at the Glen Parva barracks in Wigston, about 90 miles (145 kilometers) northwest of London.

The Daily Star newspaper quoted an officer as saying that Mr. Rowan had "severe personal problems." The Star said that Mr. Rowan reached the northwest Scottish port of Aberdeen by train during the weekend and then hijacked an army vehicle. Military patrols had been set up around the castle, the newspaper said.



LONGEVITY SECRET — John Evans, the oldest man in Britain, was 108 on Monday. The former Welsh miner from Swansea puts it down to not drinking or smoking.



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INSIGHTS

New Cities, Old Problems in Pretoria's Homelands

By Alan Cowell
New York Times Service

EKANDUSTRIA, South Africa — The province brims with bustle and hope. Here, at an industrial site straddling the nominal and invisible border between a so-called black homeland and white South Africa, 29 industries have been set up and 22 factories are being built. Nearby, a new town called Ekangala is rising; its population is projected to be 300,000 by the year 2000.

Build here, the officials say, and there will be subsidies for wages and construction costs and the importing of raw materials.

To the north, at Sivabuswa, where a government dependent on Pretoria sits in offices converted from a school, the capital already is overstretched. And so, in the manner of Tanzania or Nigeria, a new capital is to be built further south, closer to the heart of the homeland called KwaNdebele, 50 miles (81 kilometers) from Pretoria.

On a tour of KwaNdebele earlier this month, President Pienie W. Botha called it "this wonderful young country."

A visitor might find it difficult to understand the euphoria over what seems a stretch of scrub, carved from South Africa to produce a homeland for people of Ndebele descent. Its budget is made up mostly of South African subsidies, and most of its workers commute at least 80 miles each day in buses to jobs in Pretoria. All of them, under existing laws, would lose their claim to South African citizenship when Kwa-

Ndebele is declared independent, possibly late next year.

Amid the worst racial crisis in years to be prompted by the policies of apartheid, a central strand of those policies continues with the construction of the homelands. The process reveals something about the blacks with whom Mr. Botha wishes to negotiate South Africa's future.

SOUTH Africa has created 10 homelands, and four — Bophuthatswana, Ciskei, Transkei and Venda — have been given an independence that no one outside South Africa recognizes. In all, the homelands cover 13 percent of the country, and according to official census figures they are home to more than half of South Africa's 23 million blacks.

The smallest of the six that have not been declared independent is called QwaQwa, with roughly 120,000 acres (48,490 hectares), sandwiched between white farmland and the Drakensberg Mountains. The biggest is KwaZulu, home to the nation's six million Zulu descendants. South Africa has spent millions to buy white farmland for black homeland settlement, and the implication of Mr. Botha's visit was that the spending will go on.

Construction of the new KwaNdebele capital, according to Philip Kotzenberg, general manager of the KwaNdebele National Development Corp., will cost the equivalent of \$12 million to \$15 million. The homeland itself, which covers 250,000 acres, is to be expanded to more than 650,000 acres with the acquisition of more farmland from whites.

The annual budget of KwaNdebele — which has provided, among other things, schools, clinics and a fleet of silver Mercedes-Benz sedans for the eight ministers who rule over 400,000 people — is equivalent to \$34.5 million, of which \$27.5 million comes directly from South Africa.

Explaining the growing population, which was officially put at only 160,000 five years ago, Mr. Kotzenberg spoke of a great return of Ndebeles. Yet according to unofficial figures, less than half the population is Ndebele.

To cynics, this place of barren ground and poor homes seems less a homeland than a labor pool for the distant markets of South Africa's industrial heartland. In this view, it has filled quickly not because of tribal yearnings but because many blacks have left by law with nowhere else to go and are wanted in white South Africa only for their labor.

The buses here begin running at 4 A.M., carrying workers to distant places and returning late in the evening; the fares are subsidized to ease the daily migration. Some men rise before their children awake and return after they go to sleep.

When he came to Ekandustria on Aug. 9 in a military helicopter, Mr. Botha was greeted by Chief Minister Simon S. Skosana. The two men, along with ministers and aides, conferred for an hour and a half.

"We again showed," Mr. Botha said, "that we could sit around a table and discuss our problems."

Yet Mr. Skosana has little in the way of a constituency, and other black leaders, who reject people like him as puppets, see the country's problems differently.

Speaking at a recent funeral, Bishop Des-

mond M. Tutu, winner of the 1984 Nobel Peace Prize and the first black Anglican bishop of Johannesburg, said, "It is quite simple how to solve our crisis."

Appealing to Mr. Botha, Bishop Tutu said: "Please release our leaders who are in jail. Allow our leaders who are in exile to return home and then sit and talk with our leaders, for our people do not want to fight."

The resolution was clearly to the African National Congress, the most prominent of the outlawed groups fighting white minority rule. Its leaders are the imprisoned Nelson Mandela and the exiled Oliver Tambo.

Earlier this year, Mr. Botha offered to free Mr. Mandela if he renounced violence. The offer was refused, and Mr. Mandela presented his own demands, including the legalization of his group. Since then there has been no public indication of progress toward a meeting of the two men.

By coming to KwaNdebele, shortly after refusing to meet with Bishop Tutu, Mr. Botha seemed to be saying that whatever else happened, he wished to consolidate support among the leaders of the homelands rather than confront more demanding figures.

Among its other consequences, apartheid has splintered black leadership, reinforced tribal distinctions and nurtured political divisions.

Chief Gatsha Buthelezi, leader of the Zulu homeland, KwaZulu, boasts the best-organized and biggest political organization, Inkatha, and many white business leaders say they believe that no settlement of the nation's problems can be brokered without him.

Yet Chief Buthelezi has refused to talk with

Mr. Botha unless the president offers a "declaration of intent" to embark on more sweeping changes that he has made so far.

The chief, in turn, is spurned by radicals in black townships, who accuse him of working within the apartheid system. The Zulu leader himself reserves only harsh and bitter words for the African National Congress and its leaders.

The tangle of conflicting personalities and the increasing radicalism of the black townships

might give Mr. Botha scant comfort, even if talks were held. But in KwaNdebele, he found some solace. As the president left Ekandustria on Friday, P.J.M. Kumunu, the minister of education and culture of the homeland, offered a prayer.

"I must congratulate you on the firm stand you have taken to restore law and order," Mr. Kumunu said, referring to South Africa's emergency decree. "You can count on our support."

Roma

percent of the electorate, and are expected soon to outnumber the other major group, the Ashkenazim, whose origins are in central and eastern Europe and who dominated politics and society in Israel during the early years of its existence.

SEPHARDIM still view Likud as the party of upward mobility, and as the group most sensitive to their needs, pollsters say. Labor, they add, has failed to change its image to accommodate the new Israeli constituency.

If new elections were held tomorrow, said one Israeli pollster, Hanoah Stahl, many traditional Likud voters might not be able to bring themselves to cast a ballot for Labor even with Mr. Peres's new popularity.

"The biggest problem remains the party," said one leading political consultant who works closely with the Labor alignment. "The good news for Peres is that he's come up in popularity. The bad news is that it doesn't make a difference."

A second criticism of the Peres-led government has focused on its decision in May to exchange 1,150 Palestinian prisoners for three Israeli soldiers. Mr. Peres inherited the basic outlines of the exchange from Mr. Shamir, but his government attracted much criticism for going ahead with the arrangement. Many Israeli security experts describe the deal as one of the worst decisions made by any Israeli government, one that could encourage terrorism and undermine the rule of law.

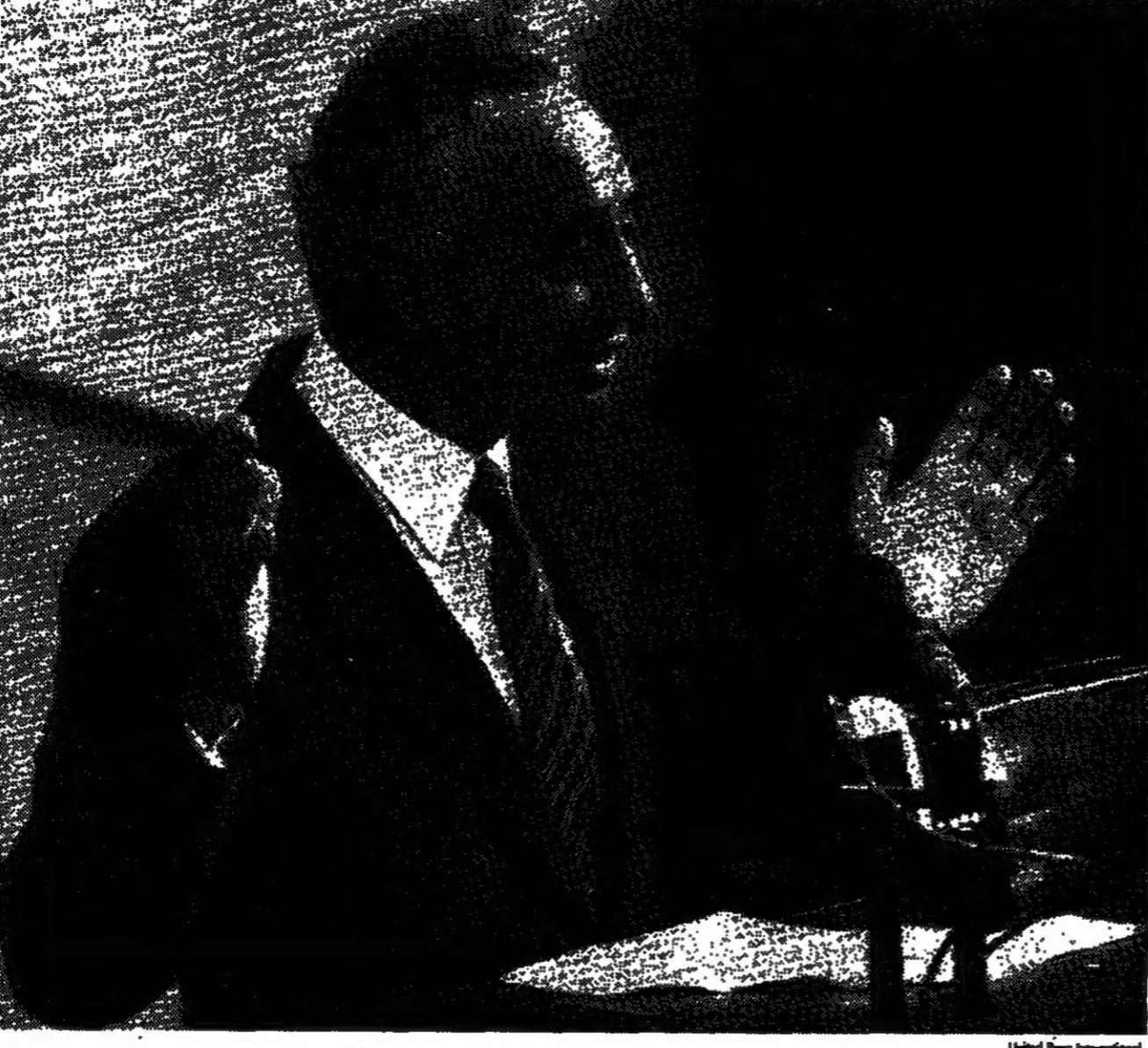
A third criticism, usually from within Mr. Peres's party and from leftist political analysts, is that Mr. Peres has not used his position to educate and lead the public, shaping values on key political issues.

Mr. Peres's critics note that he was almost silent last month when a group of Jewish terrorists were convicted of murder and other crimes and rightist leaders were calling them "good boys" who deserved to be pardoned. Some of his critics say Mr. Peres also has been less than straightforward on the question of a territorial compromise on the West Bank. He boasts privately of having stopped settlements, but does not publicly argue against the settlement program.

"The only clear position being heard anymore is from the extreme right," said Shlomo Avineri, a political theorist. "Leadership is not just doing the right thing that makes sense in a committee. It is giving people a clear message of where you are heading."

Aides to Mr. Peres counter that he would rather work quietly on the inside — saying that he has indeed stopped all new settlement building — than loudly on the outside. They say he is willing sometimes to stiffen his real feelings, for example by supporting a ban on pork, in order to be able to work with the religious parties whose support he needs.

"If we want to achieve things, we have to be a majority," said one associate of Mr. Peres. "There is no majority here without partners from the religious parties. We would rather put up with them than be a rhetorical minority again."



Prime Minister Shimon Peres addressing the Knesset, Israel's parliament, in Jerusalem.

Workers also will be given access to computer-generated information on their individual productivity, which is monitored by the company. VDT operators complain that monitoring — which can measure the employee's arrival and departure time, keyboard speed, number of errors and frequency of breaks — is likely to be a subject of future legislation and labor negotiations.

All the people currently using VDTs — about 85 percent of the current population — have no union representation, noted Pam Haynes, the health and safety director for the Air Transport Employees Union.

The body of medical literature is growing. The National Institute for Occupational Safety and Health and other scientists in the United States and abroad have documented the physical discomfort and stress experienced by VDT users.

Some of those problems are attributable to the fact that using a VDT is different from using a typewriter, said Diana Rose, director of research for the National Association of Working Women. A person using a typewriter rolls paper in and out of the machine, often uses a carriage return and periodically stops to file away the finished product.

In most instances, the VDT eliminates all those steps. One study showed that a person who could type 15 pages an hour could generate the equivalent of 25 pages on a computer terminal.

"A high rate" of muscular-skeletal complaints among workers also has been revealed in several surveys, Ms. Rose noted. For example, one Swedish study showed that 54.8 percent of insurance workers using VDTs complained of eye problems, 43.7 percent of back problems, 30.3 percent of headaches, 15 percent of neck problems, 25 percent of shoulder problems and 18.8 percent of wrist problems.

She said there is a small but growing number of workers' compensation claims that have been settled in favor of workers for what is known as

cumulative trauma injuries such as carpal tunnel syndrome, an inflammation of wrist ligaments that ultimately can cause a person to lose strength in his or her grip.

Acting at the request of the San Francisco-Oakland Newspaper Guild, the National Institute for Occupational Safety and Health in 1981 released the first comprehensive evaluation of the job stress problem among VDT operators.

The major finding was that working with VDTs was associated with high levels of job stress, the report noted. The survey showed that "significantly more clerical VDT operators reported job stress health problems than did professionals using VDTs, or control subjects."

The health issues that are the subject of the most intense debate are whether terminals emit dangerous levels of radiation and whether using a terminal can have harmful effects on a pregnant woman.

LAST year Donald Millar, director of the National Institute for Occupational Safety and Health, said that radiation emissions from VDTs are not hazardous. However, he cautioned Congress: "Although we do not see any physiologic mechanisms whereby VDTs could impair reproductive function, as yet we do not have the information to definitive rule out an effect of VDTs on reproduction."

Nonetheless, there have been several reported clusters of problems in pregnancy in the United States and Europe.

For example, at a United Airlines reservation center in San Francisco, there were problems with 24 of 49 pregnancies among the workers there, according to a report by the National Association of Working Women. The National Institute of Occupational Safety and Health conducted an evaluation but said it could not reach any "substantive conclusions" because not enough women responded to the survey.

In June, the Service Employees Union and National Association of Working Women announced plans for a \$1-million, four-year study to determine if there is a connection between use of the VDT and pregnancy problems.

Peres Emerges as Israel's Preferred Leader — at Expense of Likud

By Thomas L. Friedman
New York Times Service

JERUSALEM — After almost a year as the head of Israel's national unity government, Prime Minister Shimon Peres has established himself as the dominant figure in Israeli politics today, according to Israeli political experts.

Mr. Peres, they note, has been far more successful in dealing with Israel's economic problems and ending the country's involvement in Lebanon than many people had predicted when he took office last Sept. 13. It is his success in these areas that appears to have led to his new popularity.

However, the pollsters, consultants and other political experts say that Mr. Peres has been less successful in extending his personal popularity to his party. They say that within his party, the Labor alignment, he has failed to bring forward the new faces and new approaches that would attract more of Israel's growing numbers of Sephardic Jews.

Moreover, while Mr. Peres has put together cabinet majorities for healing the economy and withdrawing from Lebanon, critics within his party and analysts on the left say he has fallen short in defining a direction for Israel and in educating the public in the values in which he believes.

For the most part, he has taken a soft-spoken approach so as not to upset the delicate balance in his cabinet. The result, the pollsters and other experts say, has been that the only strong voices in Israel politics now seem to come from the far right.

"Considering that he took over with a divided cabinet and a demoralized country, Peres has made some real achievements," said Ze'ev Chafets, a political consultant who is a former political activist for the conservative Likud bloc. "Before he took office, I was calling Peres a lifetime .235 hitter, to put it in baseball terms. But this year he was definitely the Most Valuable Player. This year he lived up to his potential."

Since becoming prime minister, the Israeli political experts say, Mr. Peres has essentially transformed his image: the widely disliked politician, associated with backroom deals, appears today as a dignified, self-confident statesman. His party now views him not as a liability, but as an asset.

A poll conducted by the Modiai Ezrachi Applied Research Center and published a week ago by the newspaper Ma'ariv found that 47.3 percent of the public preferred Mr. Peres as prime minister, while 6.6 percent chose Yitzhak Shamir, the Likud leader.

TWO years ago, the Labor Party was plagued by infighting between Mr. Peres, Defense Minister Yitzhak Rabin and Education Minister Yitzhak Navon, while Likud was solidly united behind Menachem Begin. Now Likud seems to be fraying, with Ariel

Sharon, David Levy and Moshe Arens maneuvering to succeed Mr. Shamir or even, perhaps, to overtake him. And Mr. Peres is the undisputed leader of his party.

Whereas for years Likud under Mr. Begin was associated with the "national interest" and the political center, that mantle now belongs to Mr. Peres, the political experts said.

"The primary victim of Peres's success has been the Likud," Mr. Chafets said. "The Likud is finding itself caught between a competent centrist leader, Peres, and the extreme right wing of Kahane. They are having trouble main-

taining an identity. What we are seeing now, in fact, is the real backlash from the loss of Begin." His reference was to Rabbi Meir Kahane, whose view that all Arabs should be expelled from Israel has been gaining popularity.

A recent opinion poll in the newspaper Ha'aretz found that if elections were held now for Israel's parliament, the 120-member Knesset, Labor would win 31 seats, compared to 44 in the election held last year, and the Likud 33, compared to 41. Most of the Likud losses would be to the far right.

Likud leaders say such polls fail to reflect the real public mood. They cite others taken months

before previous elections that showed them far behind and were proved wrong.

"It is just a beauty contest now," said Mr. Arens, a minister without portfolio. "If elections come, our traditional support will be there."

According to the 50-month agreement to form a national unity coalition that was signed by Likud and Labor last September, Mr. Peres and Mr. Shamir are scheduled to switch jobs on Oct. 14, 1986. Thus far, neither party has been prepared to break the agreement and try to form a narrow-based coalition or call new elections.

However, with Mr. Peres riding high, more and more Labor supporters seem to be looking

for an issue on which to force a showdown with Likud.

Mr. Peres says he intends to carry out the rotation agreement. In the past his enemies depicted him as a man who did not keep promises, and he cannot afford to appear to go back on a deal.

It seems clear, however, that Mr. Peres's strategy is to press ahead with the peace process with Egypt and Jordan in the hope of creating a breakthrough that would force Mr. Shamir to walk out of the government on an issue of principle that both men could then take to the electorate.

Two achievements appear to have propelled Mr. Peres in the public eye during his first 11 months. Working closely with Mr. Shamir, the defense minister, he was able to put together a majority for withdrawing most of the Israeli troops from Lebanon, by winning over several members of the Likud faction in the 25-member national unity government and solidly lining up the Labor members.

Mr. Shamir opposed the withdrawal plan. But it is now clear that Mr. Peres read the mood of the Israeli electorate correctly, while Mr. Shamir miscalculated. With all but a few hundred Israeli troops out of Lebanon, the war has become a distant memory for most Israelis — which is why they like it.

THE second achievement, the economic austerity package, belongs to Mr. Peres and the finance minister, Yitzhak Modai of Likud. The program included the dismissal of about 14,000 workers from Israel's bloated government bureaucracy and cut deeply into the spending power of the electorate.

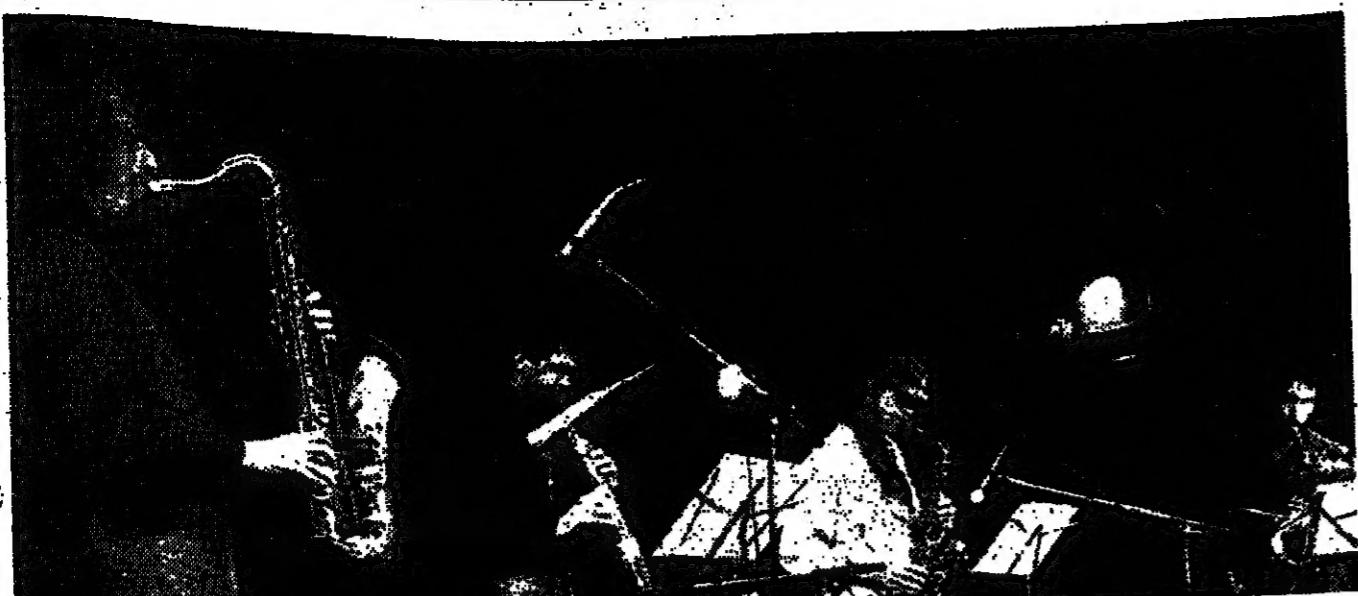
Mr. Peres is the first prime minister in Israeli history to assume responsibility for the economy," said Professor Yoram Ben-Porat, a Hebrew University economist. "Peres took charge of it from the start, getting involved in every detail. Having said that, he kidding himself for nine months thinking that things could be accomplished without hard decisions, but once he became convinced that there was no escape, he took them."

Mr. Peres, said Professor Ben-Porat, is "getting the political rewards for the overall results of slowing down inflation, but people still have not felt the personal price they are going to have to pay in terms of their own buying power. We have to wait and see how they react to Peres when they realize just how much their buying power has been reduced."

With the exception of Mr. Modai, most of Mr. Peres's cabinet colleagues have left the prime minister to sell the economic package by himself, to keep their options open if it fails. Pollsters have found, however, that this has won the prime minister points with the public.

Turning to what are seen as Mr. Peres's failings in office, some political experts point to his own Labor affiliation. The July 1984 elections showed Labor to be deeply unpopular still with Sephardim, Israelis whose ethnic origins are in Spain or the Middle East. They now make up 48

ARTS / LEISURE



The Rova Quartet: "Totally committed to keeping this group together."

Rova Quartet: Unaccompanied Saxes in VanguardBy Michael Zwerin
International Herald Tribune

PARIS — Somebody once said that all new ideas go through three stages — the joke, the threat and the obvious. The Rova Saxophone Quartet may be just about reaching the obvious.

Eight years ago when they formed their cooperative, the idea of four saxophones playing abstract music without a rhythm accompaniment was a joke indeed. But today's avant-garde is theanguard of tomorrow, and unaccompanied saxophone ensembles have since appeared all over the world.

Experimental, complex, intellectual, their music is still well ahead of established forms. It is "free" in that the four construct their own boundaries. According to one member, John Raskin, one Rova "territory" goes like this:

American Elle Makes Debut

The Associated Press

NEW YORK — Elle, an American fashion and style magazine published by Rupert Murdoch, made its debut Tuesday. Based on the French fashion magazine of the same name, the monthly will be sold at newsstands in 50 top U.S. markets for \$2.50.

The new publication is international in scope, said its publisher, Marybeth Russell. "People's sensibilities have been touched by a lot of different things," she said. "Travel to Europe is a key one. People's sights go beyond our shores in terms of cuisine, lifestyle, fashion, travel."

"Our piece 'Flamingo Horizons' was inspired by an Ernst Haas photo of an enormous flock of flamingos flying over a lake. It gave us an idea of how to deal with rhythm. We can play a different pattern — in 8, 9 and 11, for example — and they change relationships. The theme becomes increasingly improvisational with differing juxtapositions. It always changes, depending on what the material demands."

Being avant-garde at night usually involves either starvation or daytime rear-guard action. Thus Raskin makes his living as a purchasing agent for a construction business in the San Francisco Bay area, where all the Rova members are from. Some of the partners in the company are former artists, so they are generous with time off for tours, he said. Bruce Ackley works in a record store, with a similar arrangement. Andrew Voigt has been

working in a yogurt factory. Larry Ochs runs Metalinguage, a small record company dealing in ethnic artists.

"Rova" is an acronym for their last names. They are all in their early 30s. They have just completed their 10th album, "Saxophone Diplomacy" (Hat Art), recordings of five performances from a 1984 tour of the Soviet Union.

That tour's circumstances reveal the joys and hazards of the avant-garde life. Raskin recounted the voyage with a minimum of flourish and a maximum of coaxing. His sober verbal caution was in direct contrast to the high-risk business he was describing. He seemed to be thinking, "Cool it, enough risks already."

"Our tour was arranged by Friendship Ambassadors, an organization that arranges for amateur U.S. artistic organizations to tour the Soviet Union. Rova traveled with the West Virginia State Jazz Band. But the Leningrad city council canceled our concert in their city. They claimed we were professionals masquerading as amateurs. And as a matter of fact we had been named jazz band of the year by the Leningrad jazz club. We were amazed at how well known we were."

"We decided to try and continue the tour on our own. We only had 12-day tourist visas. We arranged our own concerts, played with Russian musicians, walked down the street with the video crew that was traveling with us."

The situation there is confusing. I can't figure a lot of it out. The video guys shot the concert and interviewed anybody they felt like talking to. There was no trouble.

Rova Saxophone Quartet: Aug. 24-31 Chilly, France, improvisation workshop, concert Aug. 29, Sept. 1 Willisau (Switzerland) Jazz Festival.

Jessica Susmar, 22, a professional

By Sheridan Morley
International Herald Tribune

LONDON — The right to re-think, and often drastically to recast, a classical production some weeks after it has first been shown to the press is one taken for granted by Royal Shakespeare Company directors moving shows from Stratford to the Barbican but it

grave took when the play was last seen at the Queen's 20 years ago.

She also, it seems, felt that certain productions deserve to live on after the original cast has departed.

We therefore have a radically revitalized "Seagull," with Pryce in addition to Redgrave in an otherwise largely unchanged cast. Because both are quintessentially and totally tragic creatures, the Arkadina and Trigorin return to center stage and to full strength. Having given us the most haunting Nina of the years since World War II (a performance very nearly matched by her daughter), Redgrave now gives us an unexpected Arkadina, a languid, cigarette-smoking Bloomsbury figure rather closer to Virginia Woolf than to the barn-storming Russian touring actress one might have anticipated.

There, as nowhere else along Shaftesbury Avenue, the house-full notices are out six nights a week for a production of "The Seagull" starring Vanessa Redgrave and Jonathan Pryce.

This is the Charles Sturridge production that opened earlier this year at the Oxford Playhouse then moved to the Lyric Hammersmith to a rather mixed critical reception.

At the time it starred Samantha Eggar and John Hunt, neither of whom had spent much of their recent careers on stage; and as the director had also come to it from years in studios (most memorably as the director of television's "Brathead Revisited"), the whole affair had an oddly detached and filmic quality in which the principals seemed to be standing around waiting for close-ups that never came.

When the Hammersmith run came to an end, however, Redgrave decided that she wished to join the cast. Her daughter, Natasha Richardson, was her Nina, a role Redgrave took when the play was last seen at the Queen's 20 years ago.

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**Tuesday's
AMEX
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month	High	Low	Stock	Div.	Yld.	PE	Sls.	100s	High	Low	Close	Chg.
A												
7/4	3%	ADIn					26	29	5	5	5	-16%
18	5%	ALLab's	s				29	29	146	146	146	+ 1%
22/4	12%	AMC	.15	9	15	29	186	186	142	142	142	+ 1%
5/8	2%	AMIntl					650	350	350	350	350	-11%
8/8	4%	ATT Fd	5.07	6.2			8112	8112	6175	6175	6175	-2%
18/4	2%	AT&TPr					160	160	160	160	160	-1%
18/4	4%	Action					35	34	72	72	72	-1%
1	1%	Actn w/					3	3	25	25	25	-1%
4/4	11%	Adm Rs					10	111	256	256	256	+ 1%
20/4	18%	Ad Rusl	.14	.6	17	30	30	250	249	250	250	+ 1%
21/4	15%	Adobe	.28	1.6	21	49	172	172	172	172	172	+ 1%
8/4	4%	Aeronc					107	476	476	476	476	+ 1%
5/4	2%	AlfiPb's	.40	1.3	21	187	462	462	62	62	62	+ 1%
12	5%	AlfCo					5	105	109	109	109	+ 1%
4	4%	AlgCar of	1.20	9.2			105	12	1242	12	12	+ 1%
10/4	45%	Alimite n					81	91	91	91	91	+ 1%
9/4	4%	Albow					9	12	676	676	676	+ 1%
3/2	2%	AltrM					1	1	72	72	72	+ 1%
9/4	5%	Alpho					1	81	81	81	81	+ 1%
19	9/2	Alphoin	.05	.4	63	130	117	117	117	117	117	+ 1%
15	4%	Altex					2602	344	34	34	34	+ 1%
36	30	Altes of	3.75	11.0			36	157	224	224	224	+ 1%
28/4	13%	AlteCo					105	95	129	129	129	+ 1%
18/4	10%	Almond	.20	1.5	17	121	121	57	57	57	+ 1%	
11/4	5%	AlmBrd	.05	1.5	17	10	114	114	114	114	114	+ 1%
13/4	3%	AlmBrd	.15	1.5	17	10	44	44	44	44	44	+ 1%
4/4	18%	AlmBr w/					195	23	3116	3116	3116	+ 1%
5/4	5%	AlmCr w/					22	22002	526	526	526	+ 1%
12/4	6%	AlmHtM					10	428	428	428	428	+ 1%
8/2	4%	AlmRefl					59	85	85	85	85	+ 1%
17/4	12%	AmazA	.52	3.5	45	13	59	15	1376	1376	1376	+ 1%
18/4	12%	AmazB	.52	3.7	42	13	10	14	1376	1376	1376	+ 1%
3/4	4%	AmBld					337	375	375	375	375	+ 1%
5/4	4%	AmBld					18	34	34	34	34	+ 1%
17/4	3%	AmBld P					10	34	34	34	34	+ 1%
11/4	12%	AmCntr					24b	1.6	3	75	75	+ 1%
8/4	6%	AmCntr					32	22	512	512	512	+ 1%
16/4	11/2	AmRoy n	.85	6.5			13	54	54	54	54	+ 1%
6/4	3%	ASCI	.96	3.6	17	2	2	2	2	2	2	+ 1%
6	4%	Ampl					17	24	24	24	24	+ 1%
2/4	2%	AndLjch					10	114	114	114	114	+ 1%
15/4	10%	Andrea	.72	6.4	18	18	18	18	1124	1124	1124	+ 1%
10/4	5%	Angels					83	83	83	83	83	+ 1%
14/4	4%	Angels w/					6	6	54	54	54	+ 1%
5/4	2%	viAngel v					99	99	54	54	54	+ 1%
2/4	2%	AngerPr					6	6	54	54	54	+ 1%
11/4	5%	Armin					12	19	84	84	84	+ 1%
12/4	7%	ArrowA	.20	2.3	13	3	204	204	92	92	92	+ 1%
24	16/2	Arundi					306	128	128	128	128	+ 1%
6/4	6%	Asmrt g	.15	1.4			1	13	13	13	13	+ 1%
3/4	1%	Asmrtic					115	7	7	7	7	+ 1%
17/4	7%	Astrof pf	1.80	13.8								
1/4	5%	AtfSCM										
B												
4/4	3%	BAT In	.146	3.3	4	2900	476	476	476	476	476	+ 1%
23/4	13%	BDAM J					145	246	24	24	24	+ 1%
10/4	10%	BEI	.85	1.1			2	114	94	94	94	+ 1%
10/4	7%	Baldw	.220	3.2			184	10	10	10	10	+ 1%
2/4	2%	Baldw w/					7	376	376	376	376	+ 1%
22/4	2%	BanFdg	2.40	9.5			7	2572	2572	2572	2572	+ 1%
7/4	4%	Bansfr					10	744	744	744	744	+ 1%
9/4	6%	BanBld	.40	4.4	15	16	9	9	9	9	9	+ 1%
4/4	2%	BanBld	.20	2.5	19	13	13	13	13	13	13	+ 1%
12/4	10%	Barrsch	.37	3.4	17	17	17	17	17	17	17	+ 1%
22/4	10%	Bartsch					3	114	114	114	114	+ 1%
4/4	7%	Bartsch	1.80	16.4			3	9	9	9	9	+ 1%
4/4	7%	Bartsch					1	705	298	298	298	+ 1%
2/4	20%	Bartsch Br	.21	1.1			2	348	348	348	348	+ 1%
5/4	34%	Bartsch Ce	.42	12.4			9	41	279	279	279	+ 1%
15/4	7%	BatCp	.72	22			13	154	154	154	154	+ 1%
9/4	2%	BatCp	.40	2.6	18	13	13	13	13	13	13	+ 1%
19/4	5%	BatMu	1.00	4.4	11	1	1	1676	1676	1676	1676	+ 1%
19/4	5%	BatR B's					72	72	72	72	72	+ 1%
2/4	14/4	Blaesng	.60	2.2			9	27	27	27	27	+ 1%
1/4	1%	BlockE					1	1676	1676	1676	1676	+ 1%
19/4	17%	BloumA	.45	2.8	8	9	1676	1676	1676	1676	1676	+ 1%
23	11/4	BoarVol					20	21	114	114	114	+ 1%
9/4	9%	BowWol	.44	4.2	18	18	18	18	1048	1048	1048	+ 1%
5/4	2%	BowWol					18	18	18	18	18	+ 1%
25/4	19%	Brown G	1.40	2.5	17	16	16	16	1726	1726	1726	+ 1%
10/4	10%	Brown G	1.00	2.9	11	16	16	16	3748	3748	3748	+ 1%
27/4	2%	Brown G					13	34	34	34	34	+ 1%
5/4	2%	Suckin					50	10.8	1	49	49	+ 1%
4/4	2%	Suckin					49	2.1	6	2994	2994	+ 1%
3/4	7%	Bush n					7	10	776	776	776	+ 1%
C												
8/3	11%	CDI s					12	2	2934	2934	2934	+ 1%
2/4	5%	CM1 Ca					21	16	1116	1116	1116	+ 1%
1/4	1%	CM2 Ca					33	12	1116	1116	1116	+ 1%
2/4	1%	CR2					10	18	18	18	18	+ 1%
8/4	4%	CoateA					25	5%	1216	1216	1216	+ 1%
10/4	10%	ColR fd	1.28	10.2			74	251	1216	1216	1216	+ 1%
2/4	1%	ColR fd	.40	2.4			24	34	251	251	251	+ 1%
6/4	3%	Collon n					20	20	251	251	251	+ 1%
6/4	6%	Cedrop					13	13	13	13	13	+ 1%
8/2	11%	Comco					20	1676	1676	1676	1676	+ 1%
3/4	1%	Comon					8	6	1676	1676	1676	+ 1%
1/4	13%	CMRC s					84	1676	1676	1676	1676	+ 1%
3/4	14%	CmOCO					20	21	21	21	21	+ 1%
5/4	25%	CWlns					10	9	3224	3224	3224	+ 1%

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Bank der Bondsspaarbanken N.V.	Bank Gutzwiller, Kurz, Bungener (Overseas) Limited	Bank of Helsinki Limited
Bank Leu International Ltd.	Bank J. Vonlobel & Co. AG	Banque de Benelux S.A.
Banque Française du Commerce Extérieur	Banque Générale du Luxembourg S.A.	Banque Indosuez
Banque Paribas Belgique S.A./Paribas Bank België N.V.		Banque de l'Union Européenne
Bayerische Hypotheken- und Wechsel-Bank	Aktiengesellschaft	Bayerische Landesbank Girozentrale
Bayerische Vereinsbank Aktiengesellschaft	Caisse des Dépôts et Consignations	Chemical Bank International Limited
Citicorp Investment Bank Limited	Commerzbank Aktiengesellschaft	Copenhagen Handelsbank A/S
County Bank Limited	Creditanstalt-Bankverein	Credit Commercial de France
Credit Industriel d'Alsace et de Lorraine Succursale de Luxembourg		Credit Industriel et Commercial de Paris
Credit Lyonnais	Dai-Ichi Kangyo Bank Nederland N.V.	Daiwa Europe Limited
Den Danske Bank	Den norske Creditbank Luxembourg S.A.	Dresdner Bank Aktiengesellschaft
Enskilda Securities-Skandinaviska	Enskilda Limited	Theodoor Gilissen N.V.
Hambros Bank Limited	Hessische Landesbank-Girozentrale-	Hill Samuel & Co. Limited
IBI International Limited	Kansallis-Osake-Pankki	Kleinwort, Benson Limited
Kuwait Investment Company (S.A.K.)	F. van Lanschot Bankiers N.V.	Manufacturers Hanover Limited
Merrill Lynch Capital Markets	Mitsubishi Finance International Limited	Samuel Montagu & Co. Limited
Morgan Stanley International	Nederlandse Credietbank N.V.	Nederlandsche Middenstandsbank nv
Nippon European Bank S.A. LTCB Group	Nomura International Limited	Orion Royal Bank Limited
Oesterreichische Länderbank Aktiengesellschaft	Pierson, Heldring & Pierson N.V.	PK Christiania Bank (UK) Limited
Postipankki (U.K.) Limited	Privatbanken A/S	Rabobank Nederland
Salomon Brothers International Limited		Sarasin International Securities Limited
Société Générale Alsacienne de Banque, Luxembourg		Sumitomo Finance International
Svenska Handelsbanken Group	Verband Schweizerischer Kantonalbanken	Vereins- und Westbank Aktiengesell
H. Wesselius & Co. B.V.	Wood Gundy Inc.	Yamaichi Internat

July, 1985

Baldwin Files Creditor Plan*The Associated Press*

CINCINNATI — Baldwin United Corp. and a subsidiary, D.H. Baldwin Co., filed plans Tuesday for emerging from court protection and reorganization under Chapter 11 of the U.S. bankruptcy laws.

The companies, which filed for protection in September 1983, promised up to \$140 million in cash to the company's unsecured creditors, who also would become stockholders in the new company.

About 8,300 claims for more than \$33 billion, plus undischarged claims, have been filed against the two companies.

Laker Given Reprieve In Bid to Block Payment*Reuters*

JERSEY, England — Sir Freddie Laker Tuesday won a two-week reprieve in his bid to block an out-of-court settlement of a \$1-million antitrust suit he filed when his Laker Airways was forced out of business in 1982.

Terming the offer "pitifully inadequate," Sir Freddie last week failed to persuade a High Court judge in London to withhold approval of the settlement, which would end an antitrust case pending in the United States.

However, he has applied to the Court of Appeal in England and the Jersey court granted a delay pending its decision. It has scheduled a hearing for Sept. 4.

Japanese Court Puts Freeze on Assets Of Sanko, Suspends Creditor Claims*Reuters*

TOKYO — The assets of Sanko Co. have been frozen and creditor claims against it suspended, a court official said Tuesday.

Sanko asked last week for court protection because of huge losses. It owes \$2.2 billion.

A lawyer will watch over the company to make sure all assets remain intact until the court decides whether to appoint a receiver or force the business into liquidation.

Sanko operated 244 ships, about 4 percent of the world's shipping tonnage, industry sources said.

U.S. Details 6 Ships

The New York Times reported earlier from New York:

Six ships owned or operated by Sanko have been detained in Amer-

ican ports because of fears that the company will not pay its debts.

Michael A. Pizzi, chief deputy at the federal marshal's office in Brooklyn, New York, said a Sanko vessel had been detained in Brooklyn on the basis of complaints by two creditors who said they were owed a total of about \$200,000. Mr. Pizzi said the company's debts were primarily for stevedoring services.

He said that a company can have a ship detained only if the shipping company has not paid for work performed on the vessel involved.

Five other Sankoships have been detained in the United States, two in South Africa and one in Canada, according to Japanese reports, which added that the vessels would be held until the debts were paid.

Woodrow Gaskin, manager of Sanko operations in the United States, declined to comment on the matter.

Ultramar Halts Negotiations to Buy Gulf Canada Assets in East Provinces*New York Times Service*

NEW YORK — Ultramar Canada Inc. has ended negotiations with Gulf Canada Ltd. to buy Gulf Canada's refining and marketing assets in Quebec and the Atlantic provinces at the value of between \$300 million and \$350 million.

William Berry, Ultramar's manager of government affairs, said on Monday that the talks were called off Sunday after Gulf Canada rejected Ultramar's bid for the properties. They include 675 service stations in Quebec and the Atlantic

provinces and a refinery in Montréal.

Mr. Berry declined to state the amount of the bid, but said Ultramar would make another offer. Canadian oil industry analysts put the value at between \$300 million and \$350 million.

Ultramar Canada, a subsidiary of Ultramar PLC, the British energy company, owns a refinery in Saint-Romuald, Quebec, and 361 service stations in Quebec, the Atlantic provinces, and Ontario.

The company was thought to be a leading contender for Gulf Canada's eastern refining and marketing assets, which were put on the block this month after Olympia & York Developments Ltd., the Toronto-based real estate company, acquired a 60.2-percent stake in Gulf Canada from Chevron Corp. for \$2.8 billion.

Robert Vallance, a Gulf Canada spokesman, said the company would not comment about its discussions with Ultramar, or with other bidders, which he declined to identify.

Earlier this month Gulf Canada sold its refining and marketing assets in western Canada to Petro-Canada, the government-owned oil company, at a price thought to exceed \$446 million. In addition, 6 percent of Gulf's resources holdings were sold to Nencon Energy Resources Ltd. for \$222 million.

Hewitt Sogo Bank Ltd. of Japan

Pepsi, in Cola War Attack, Introduces New Coke Early*The Associated Press*

LONDON — Pepsi-Cola opened a new front Tuesday in the cola war, attempting to pre-empt its main rival by "introducing" new formula Coca-Cola to the world well ahead of Coke's official overseas launch.

Pepsi's 16-city media launch was aimed at capitalizing on adverse reactions to Coke's new formula. But Coke reacted with disdain, saying its product was still No. 1 in the world.

"The new Coke is about to roll out worldwide, and we at Pepsi could not be happier," Peter Kendall, Pepsi's regional vice president for northern Europe, said in London at one of 16 test-tasting news conferences in cities across the globe.

The world's No. 2 soft-drink maker says that its sales in the United States jumped an unprecedented 14 percent in May and June after Coca-Cola introduced its new, sweeter product to Americans.

By early July, after complaints from customers, Coca-Cola decided to bring back its 99-year-old formula 7-X that has made Coke the No. 1 soft drink worldwide. But it is keeping the new concoction on the U.S. and overseas market.

Coca-Cola officials appeared puzzled by Pepsi-Cola's initiative. Olivier Bermon, a Coca-Cola spokesman in Paris, said it was up to Pepsi to take care of Coca-Cola's publicity. "Coca-Cola takes care of its customers while Pepsi is busy with its competitors," he remarked.

The new formula is already on sale in Canada and Puerto Rico and a Coca-Cola spokeswoman in London said its popularity was undiminished. Coca-Cola expects to complete its official launch throughout its 149-nation market in 16 months, she said.

In Paris, asked how any Frenchman could prefer Pepsi to Beaujolais wine, Eric Saare, president of Pepsi-Cola France, recommended wine with meals and Pepsi for thirds. Mr. Saare declared a "new phase of the war was taking place."

"For us, Pepsi is a small competitor," countered Coke's Mr. Bermon. In France alone, 210 million liters (54.6 million gallons) of Coke were sold last year compared to only 30 million liters of Pepsi, he claimed.

Deere Reports Fall in Net*The Associated Press*

MOLINE, Illinois — Deere & Co. said Tuesday its third-quarter earnings fell to \$4.5 million. Deere said the earnings in the quarter ended July 31 meant income of 6 cents a share for stockholders and came on sales of about \$1 billion.

In the same period of 1984, Deere earned \$29.4 million, or 43 cents a share, on sales of \$1 billion.

COMPANY NOTES

Bougainville Copper Ltd. said a 48-percent drop in first half profit stemmed from lower gold assays and prices, lower concentrate shipments and reduced sales. Bougainville reported profit of \$8.05 million. Papua New Guinea kina (\$7.92 million), down from 16.6 million kina for the 1984 period.

Nissan Diesel Motor Co., Toyo Menka Kaisha Ltd. and Grandara Nissan Ltd. will sign a joint-venture agreement next month to assemble diesel trucks in Pakistan, a Nissan Diesel spokesman said.

NTT Philips Gloecknemann is to arrange a domestic bond issue through a bank syndicate that is being put together. Dutch bond market sources said.

Race Electronics PLC expects record profit and sales in the region of \$1.5 billion (\$2.1 billion) in the current financial year after record performance in the year ended March 31, when it boosted net profit by 11 percent and sales by 33.7 percent, according to its chairman Ernest Harrison.

Hachette and Rupert Murdoch are jointly publishing American Elle, a monthly fashion and style magazine that went on sale Tuesday in the United States.

Volkswagen AG and its subsidiary Audi AG are recalling one million cars worldwide for checks on possible damage to brake hoses, a VW spokesman said. The cars are VW sedans and Audi's 80 and 100 models, built between March 1983 and May 1984.

Enterprise Oil PLC has bought 3.33 million ordinary shares in Saxon Oil PLC at 540 pence (\$7.57) each, or 14.91 percent, a statement from Enterprise said.

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CURRENCY MARKETS

Dollar Higher in Europe, U.S. on GNP Data

Compiled by Our Staff From Dispatches

NEW YORK — The dollar gained higher Tuesday but closed under the highs it reached after the U.S. Commerce Department reported that the gross national product rose at a revised annual rate of 2 percent in the second quarter.

Markets had been expecting a downward revision in the GNP figure to between 1.0 percent and a 1.3-percent increase, dealers said. On July 18, the second-quarter figure was revised downward to a 1.7-percent gain.

"It was not necessarily a strong number, but many had expected a downward revision and, as a result, they bid the dollar higher," a New York dealer said. He said trading was quiet, however.

The dollar closed more than 2 pennies higher against the Deutsche mark, rising to 2.7770 from 2.7545 at Monday's close, but was down more than a penny from its session high of 2.7900. The British pound, which fell nearly 2 cents

after the GNP report, recovered to close at \$1.3915, still down a cent from \$1.4020 on Monday.

Other late dollar rates in New York Tuesday, compared with late rates Monday, included: 2.7750 Swiss francs, up from 2.7545; 8,425 French francs, up 7 centimes from 8,4125, and 1,857.50 lire, up from 1,847.00. The dollar rose to 237.15 Japanese yen from 236.76.

In earlier trading in Europe, the U.S. currency finished in London at 2.7822 DM, down 1½ pennies from its session high of 2.7900 but up from 2.7620 at Monday's close. Earlier in Frankfurt, the dollar was fixed at 2.7652, nearly unchanged from Monday's fixing of 2.7647.

The British pound, meanwhile, eased on the dollar's rise to end at \$1.3890 in London, down from \$1.3995 at the opening and \$1.4000 on Monday. It slipped to 3.8590 against the mark from 3.8670 on Monday and to 11,7705 French francs from 11,8208.

Dealers said that apart from a

slurry of activity after the U.S. GNP report, the markets remained directionless and lacked conviction. Operators were now looking for fresh factors to ward off a return of bearish sentiment for the currency, they said.

"One good figure doesn't change the overall picture," and the underlying sentiment for the dollar remains bearish, one dealer with a leading U.K. clearing bank said.

Markets are now waiting for U.S. inflation and durable goods numbers for July, and money-supply data for the week ending Aug. 14, all due Thursday, they said.

Other late dollar rates in Europe on Tuesday, compared with late rates Monday, included: 2.2825 Swiss francs, up from 2.2608; 8,4410 French francs, virtually unchanged from 8,4400, and 1,854.00 Italian lire, up from 1,851.70.

In London, the Japanese yen ended at 237.25 to the dollar, down from its earlier close in Tokyo of 236.85. (Reuters, IHT)

Dollar's Fall Still to Be Felt

(Continued from Page 9)

Hong Kong's Tax Bill Is Criticized

By Dinah Lee

International Herald Tribune

HONG KONG — Hong Kong's proposed legislation to curb tax avoidance has been subjected to widespread criticism since it was published last month.

The Hong Kong Society of Accountants joined the critics on Tuesday by calling the plan a "sledgehammer to crack a nut."

Other bodies unhappy with the bill include the Taxation Institute of Hong Kong and the Hong Kong Equipment Leasing Association. The bill has been described as poorly written, redundant, rushed and far too broad for its intended purpose of curtailing tax avoidance.

Faced with a deficit estimated at 1.1 billion Hong Kong dollars (\$269.3 million) for the fiscal year ending March 1986, the financial secretary, Sir John Brembridge, in his annual budget address that he would be trying to raise revenue,

including measures to stem tax avoidance. Hong Kong has long enjoyed a system of low and simple taxation, an attraction for foreign investors.

However, in what appears to be legislation drawn piecemeal from regulations elsewhere, the British colony's government has proposed a general anti-avoidance provision, and then additional and more specific provisions. These deal with such matters as trading of stock in money-losing companies, equipment and plant leasing, pension funds and other employee benefits.

Most of the criticism has been directed at the general provision

that would allow the government to withhold tax benefits from a transaction if the tax benefits were at least one factor in the transaction. Sir John Brembridge, in his annual budget address that he would be trying to raise revenue,

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However, in what appears to be

Recovery Seen In Philippines

(Continued from Page 9)

force but is expected to be lifted when rescheduling agreements with individual banks are signed.

Mr. Villegas said the recovery would be slow and a return to the 6-percent growth rate of the 1970s may not be reached in this decade.

Mr. Marcos has predicted economic growth of 1 percent this year and 3 percent for 1986, but the National Economic Development Authority has revised its 1985 figure to zero growth.

In the first quarter of 1985, the gross national product, the widest measure of a nation's output of goods and services, fell 3.7 percent after a 5.5-percent decline for all of 1984.

Mr. Villegas has predicted that the narrower gross domestic product, a measure of GNP that excludes income from foreign investments, will decline this year by 3 percent to 5 percent.

Tailoring The Résumé

(Continued from Page 9)

hunters think that a statement of career objectives is useful information that should be included in a résumé.

• University degrees and references. In West Germany, a résumé can be a 20-page document. "They are very formal and read like legal documents," says Julian McKirick of Korn Ferry GmbH in Frankfurt, a subsidiary of the U.S. executive-search firm. West German executives include photocopies of their school certificates and university degrees. Often the photocopies have been stamped by a lawyer.

• Hobbies and sports. In most European countries, executives do not include their hobbies and sports.

But there are exceptions: "I must admit that once I selected a woman for a certain position because she had stated on her résumé that she was a marathon runner and I wanted someone who would be up to a grueling task," says Mr. Borg of Berndtson in Brussels.



Laurent Fabius

not to "nationalize losses while privatizing profits."

The debate moved into high gear this summer. In a new joint electoral platform that commits them to a far-reaching liberalization of the French economy, France's conservative opposition parties — former President Valéry Giscard d'Estaing's Union pour la Démocratie et le Progrès and the Rassemblement pour la République, led by the mayor of Paris, Jacques Chirac — pledged themselves to denationalize every-

thing the Socialists took over. Since all polls show these two parties regaining control of the French National Assembly in next spring's elections, their economic promises are being taken seriously.

"The first thing we have to do is make a collective confession of guilt for what we didn't do in the past," said Alain Juppé, the RPR economic spokesman.

Although often vaguely worded, the opposition's economic platform implies a far more radical change in French economic life in relation to past practice than anything proposed by Prime Minister Margaret Thatcher of Britain or President Ronald Reagan in the United States.

Its macroeconomic aim is an annual growth rate of 3 percent, compared with this year's 1 percent, to be brought about by extensive deregulation and yearly cuts in taxation of 40 billion francs, or roughly 1 percent of gross national product — the value of goods and services including income from foreign investments.

THE EUROMARKETS

Secondary Market Shakes Off GNP News

By Peter Conradi

Reuters

LONDON — Just over \$400 million of new straight Eurobonds were launched Tuesday, but dealing in existing issues was again quiet. The secondary market shook off the unexpected upward revision of U.S. economic growth figures and bearish comments by Paul A. Volcker, the Federal Reserve Board chairman, dealers said.

Inter-American Development Bank came up with the week's first dollar straight, a 10-year, \$150-million issue paying 10.4 percent a year and issued at par, led by Credit Suisse First Boston Ltd. Kiewit Co. of the United States followed with a \$100-million bond, paying 10.4 percent a year over five years, also at par and led by Morgan Guaranty Ltd.

The issue for Kiewit, a private construction company, was quoted on the market at a discount of 1.4%, within total 1% percent fees. The issue is secured by a surety bond issued by Aetna Casualty & Surety Co. The IADB bond was quoted within its final 2 percent fees, at a discount of about 1.4%.

Reports of a letter sent by Mr. Volcker, dated Aug. 6, to the Senate Banking Committee saying that the Fed would restrain money growth if the economy grew faster than expected in second-half 1985, also had little initial impact on the market.

Although U.S. credit markets were lower, dollar-straight Eurobonds ended steady to ¼ point either side of Monday's night's close, while floating-rate notes were largely unchanged.

"I am very surprised, the market is really showing a lot of resilience," one dollar-straight dealer at a U.S. bank said. "Coupled with that, we have seen some new issues that appear to have performed very well."

Warren Geller in Frankfurt, Axel Krause in Paris and Bob Hagerly in London contributed to the reporting of this article.

Dealers said that apart from a

and services. The market had been expecting a downward revision to 1.3 to 1.6 percent.

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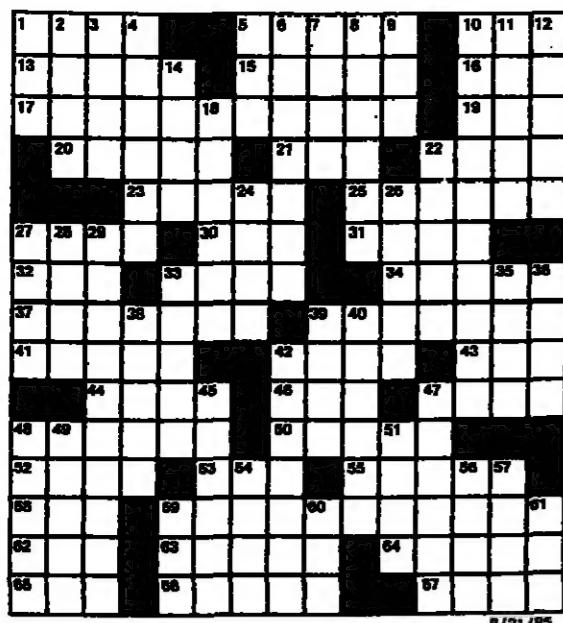
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Tuesday's OTC Prices											
		Sales in 12 Month		Sales in 12 Month		Sales in 12 Month		Sales in 12 Month		Sales in 12 Month	
		High	Low	Stock	Div. Yld.	High	Low	Stock	Div. Yld.	High	Low
A											
ABC TI	11	14	13	1,300	—	17.50	17.00	1,100	—	17.50	17.00
ABG	14	15	14	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABK	10	12	11	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABM	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABN	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABP	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABR	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABT	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABV	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABW	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABX	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABY	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ABZ	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACB	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACD	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACF	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACG	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACI	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACJ	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50	17.00
ACM	12	13	12	1,200	—	17.50	17.00	1,100	—	17.50</	



PEANUTS



BLONDIE



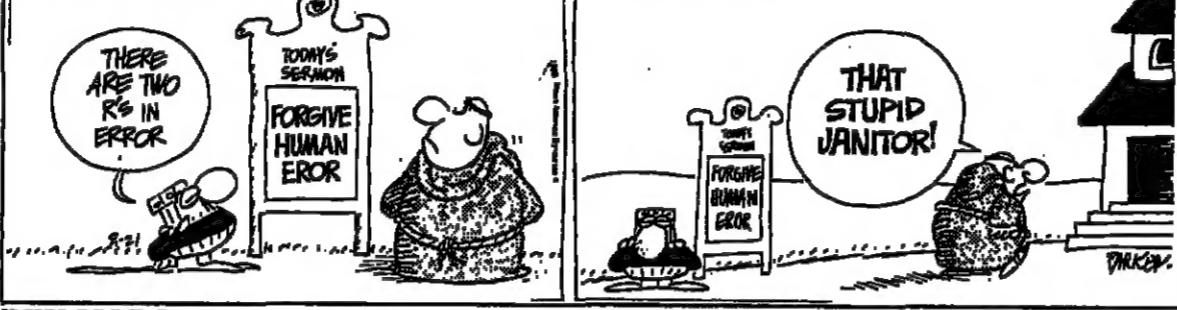
BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



CROSSWORD

1 Ornament
5 Cry of a flushed snipe
10 Eve's grandmother
13 Polycarbonate
15 Calmworth novel
16 Res followers
17 Uncle's friend
19 Camp or Gummidge
20 Lasso's sound
21 Letter addenda
22 Leaf
23 Unconscious
25 Forerunner of the freezer
27 More than several
30 Morse signal
31 Treaty gp.
32 Ovidian declaration
33 MOMA piece
34 Live it up
37 Sidekick
39 Hyman
41 Gin
42 Bakery tool
43 Brazilian's coffee
44 Lou Ferrigno role
46 "longa"
47 Tatum's father
48 Thaumaturgist's word
50 Dame

12 Lover of Elizabeth I
14 Breckinridge or Hess
18 Restraining O'Toole
22 Ustinov or Burnett or Channing
24 Contender
26 Cornhuskers' city
28 For All Seasons'
30 Queen's "dol"

33 Genuflected
35 "Roast Pig" dissenter
36 Uri or Goossens
38 Tie up
39 Zilch, to Zapata
40 Vesta, to Greeks
42 Flamboyance
45 Ind. city
47 Save
48 Wilbur and Merrill
49 William Bendix role
51 Charlie Brown expletive
54 Israeli statesman
56 "If—a Hammer"
57 Hindu god
58 Dickens's nom de plume
60 Ethiopian prince
61 Pro—

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DENNIS THE MENACE



"I KNOW HOW TO BLOW OUT CANDLES! YOU DIDN'T HAVE TO SHOW ME!"

JUMBLE THAT SCRABLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumble words, one letter to each square, to form four ordinary words.

TYSOO

NOAKE

HARTER

MURTES

Answer:

(Answers tomorrow)

Yesterday's Jumble: HABIT PAUSE HARBOR GENDER

Answer: What those snobbish members of the horsey set thought they were—A BREED APART

WEATHER

EUROPE

HIGH LOW HIGH LOW

Amsterdam 28 26 24 25 Berlin 24 25 24 25

Brussels 25 25 25 25 Paris 25 25 25 25

London 25 25 25 25 Rome 25 25 25 25

Madrid 25 25 25 25 Stockholm 25 25 25 25

Edinburgh 25 25 25 25 Copenhagen 25 25 25 25

Florence 25 25 25 25

Prague 25 25 25 25

Helsinki 25 25 25 25

Lisbon 25 25 25 25

Budapest 25 25 25 25

Paris 25 25 25 25

Vienna 25 25 25 25

Paris 25 25 25 25

Rome 25 25 25 25

Zurich 25 25 25 25

AFRICA

Algiers 25 25 25 25

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Harare 25 25 25 25

Johannesburg 25 25 25 25

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SPORTS

Yanks Nip Red Sox on Griffey's Game-Saving Catch

Compiled by Our Staff From Dispatches

NEW YORK — Ken Griffey leaped into the left-field stands in the ninth inning here Monday, preserving a 6-5 victory that gave the New York Yankees a four-game series sweep of the Boston Red Sox.

Winnings of 12 of their last 13 games, the Yankees moved to with-

in four games of first-place Toronto in the American League's Eastern Division (the Blue Jays lost to Cleveland Monday night). New York is 20 games over .500 — its best showing since 1983. The Red Sox have dropped nine of their last 10 and seven straight to the Yankees.

With one out in the top of the

BASEBALL ROUNDUP

match, Boston's Marty Barrett sent a high fly to left. Griffey, who entered the game as a pinch hitter in the seventh, planted his right foot in the padding of the 8-foot-high (2.43-meter) wall, balanced himself on top of the fence with his left

hand and reached two rows into the stands to make the catch. As he came down Griffey stumbled and turned a somersault, but he held onto the ball.

"I didn't do any planning or thinking — I just reacted," said Griffey, who made a similar catch on April 16 to rob Chicago's Ron Kittle of a potential game-winning

home run. "I've had the best defensive year of my career," he said. "One good thing is that both of those catches saved games. The one thing I thought about after [Monday's] catch was that the fans didn't interfere with me. That was a break."

The winners' Dave Winfield drove in four runs, two of them on a seven-inning single that tied the game. 5-5 [Winfield] came home with the deciding run on Don Baylor's double. Rickey Henderson scored three times and Don Mattingly extended his hitting streak to 17 games.

Winner Marty Bystrom allowed six hits and five runs in his seven innings. Bob Shirley worked 13 innings and Rich Bordin got the last out for his second save of the year.

With New York trailing by 5-3 in the seventh, Henderson reached on a fielder's choice and moved to third on Mattingly's double, which knocked out starter Bruce Hurst. Reliever Mark Clear came on and upped the single to Winfield, who had hit a two-run home run in the first.

Indians 5, Blue Jays 3: In Cleve-

land, Tom Waddell pitched a seven-

inning

for the first complete

game of his career and Tom Bernazan

hit a home run to lead the Indians over Toronto. Waddell was starting for only the third time after 98 career relief appearances; in his other two starts, he had beaten New York's Ron Guidry and Dave Stieb of the Blue Jays.

Royals 2, Tigers 1: In Kansas City, Missouri, pinch-runner Onix Concepcion raced home from third on pinch-hitter Dave Leeper's grounder with one out in the 10th to give the Royals their squeaker over Detroit. Shortstop Alan Trammell's throw to the plate appeared to beat Concepcion, but plate umpire Ted Hendry ruled him safe.

Brewers 4, Twins 1: In Milwau-

kee, Danny Darwin, who had lost

10 straight decisions, pitched a one-

hitter

to beat Minnesota for the Brewers.

The Twins' only hit was Roy Smalley's fifth-inning leadoff

home run, which bounced off the right-field foul pole. Darwin allowed only one other baserunner (he hit Mark Salas with a pitch in the fourth) and retired the last 15 Minnesota batters.

Orioles 5, Rangers 2: In Balti-

more, Eddie Murray drove in

the game-breaking run as the Orioles

scored

six times in the fifth with the help of three walks and two Texas errors. Baltimore has won six straight games and, by taking eight of its last nine, has matched its best streak of the season.

Angels 5, A's 4: In Anaheim, California, Reggie Jackson hit a two-run homer in the first and singled to spark a three-run fourth to help California beat Oakland. Jackson's home run, his 20th of the season and 523rd lifetime, came off of its last time, which was Ted Sizemore's.

National Basketball Association

PHOENIX-Traded Maurice Lucas, for-

ward, to the L.A. Lakers for second-round draft picks in 1986 and 1987.

FOOTBALL

National Football League

BUFFALO-Signed Carl Konrath, line-

backer, to a series of one-year contracts.

WISCONSIN-Center Brian Johnson,

and

Jeff Grimes, defensive tackle; Mike

Hartman, defensive end; Jim

Conrad, defensive end; and Jim

Wright, defensive end.

DETROIT-Middle linebacker Ed

McGinnis, defensive end; and

Mike McCall, defensive end.

CHICAGO-Center John

Harper, defensive end; Chuck He-

nning, defensive end; and Kevin

Wright, defensive end.

MINNEAPOLIS-Center John

Conrad, defensive end; and

Mike Kratz, tight end, on injured

reserve.

SEATTLE-Cut Andre Williams, de-

fensive back; Terry Edwards, wide receiver;

Mike Hart, wide receiver; and

Mike

McCall, wide receiver.

ATLANTA-Center John

Conrad, defensive end; and

Mike Kratz, tight end, on injured

reserve.

DETROIT-Halfback Eddie

McCormick, defensive end; and

Mike McCall, defensive end.

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OBSERVER**King John in the Buff**

By Russell Baker

NEW YORK — Before the camera's invention it was harder for famous people to be seen naked by their fans than it is today. Consider King John. "Bad King John," we call him today, because he was portrayed in the movie by Claude Rains and was meant to be Eric Flynn playing Robin Hood.

The truth about "Bad King John" is more interesting than Warner Brothers dared hint. The Production Code of Hollywood's heyday forbade movies to deal with such subjects as King John's desire to be seen in the nude by all England.

Under the code, the natural, healthy, human urges of the stars, even of royal stars like King John, could not be shown on the screen. The truth is that King John was a sensitive man who wanted to be adored by his people and was saddened about being called "Bad King John." Having read about Camelot, he knew about the magician Merlin, and wondered why no king had hired one since.

So he traded two dukes, four earls and 12 barons for a foreign magician named Fritz, which angered dukes, earls and barons all over England, thus leading to the Magna Carta, but that is another story. "Fritz," he told his magician, "I want my people to see the real King John the decent, sensitive but magnificently well-built fellow who's their liege lord."

"I'll give it to you straight from the shoulder, Rex," said Fritz. "Buttoned up in that armor, with those sequined whatevers down the legs and that goatie on the chin makes you look like Claude Rains, a real no-no for the decent-sensitive market. You've got to be a little more Stallone."

King John was mystified. Not being a magician, he could not know the future would produce Sylvester Stallone, better known as "Rocky," also better known as "Rambo."

"Stallone?" Fritz said. "Imagine a sweet guy everybody calls 'Rocky' who becomes famous by punching out sides of raw beef. Imagine a really swell fellow everybody calls 'Rambo' who can single-handedly wipe out one of the world's better armies."

New York Times Service

King John liked what he was hearing. "I want to be Sweet John" and "Really Swell King John," he said. "What do I do, Fritz?"

"Get out of the armor, Majesty. Then take off your chain-mail underwear, and let your subjects see what you look like in the altogether."

"Naked?" said the king. "Naked as a jaybird?"

"The jaybird hasn't been invented yet," said Fritz.

"Of course it has," said the king, who hated being contradicted. "So have the robin, the sparrow, the hummingbird, the turkey buzzard."

"Sorry," said Fritz. "A slip of the tongue. I meant to say the camera hasn't been invented yet."

If the camera had been invented, it would have been easy for the king to go to a studio and prance around in his belt, and afterward there would be pictures which, if only magazines had been invented, could be seen by everybody in England, thus showing exactly what kind of king they had.

"After that, I would be adored?"

"You would be a star, Highness. True royalty, like Stallone. Monroe, Miss America, Madonna —"

"You're talking future again, and we're still in the Stone Age. Let's get down to stone tanks."

Fritz had an idea. Without cameras, the king would have to do nude personal appearances. But the shock might bother the people, so they would put out some hokum about the king having a new suit of clothes made, and everybody would be told to stand at the curb when the king first wore it, and of course everybody would pretend the king was wearing a new suit, but in the meanwhile getting an idea of what he looked like in the buff — to wit, gentle, sensitive, but well-built, real star quality.

The king agreed, but fearing the people would not believe their eyes, he paid an archer to shout, "The king has no clothes on!" After this cry, everybody gazed on the king with prurient curiosity and concluded that he either lacked sound judgment or was centuries ahead of his time. The latter, as we now know, was the sad truth of the matter.

"It is best to think of this cycle," Zahorachak said, in terms of seasons. It begins with a springlike period of weather that is warmer and wetter than usual and ends with a winter-like period, colder and drier than usual.

He argues that it is during the temperate, springlike warm-wet phase of the hundred-year cycle that humans are at their best and that civilization has flourished, with prosperi-

Keeping Track of the Widening GyreBy Michael Norman
New York Times Service

LINDEN, New Jersey — Things seem to run in cycles. The days revolve down to dusk around the wheel of seasons. History has its ends and its beginnings, too. "Turning and turning in the widening gyre," wrote Yeats. Scientists track the loop of life and death. And poets like Wallace Stevens spend their time spinning: "Yet that things go round and again go round has a rather classical sound."

Why, then, should anyone doubt Michael Zahorachak? "Either we've been conned and the greatest thinkers in the world are fools," he said, "or there is something to the idea of cycles and we, in our arrogance, choose to ignore it."

Zahorachak, a writer and a former executive at the American Stock Exchange, is a member of the Society for the Investigation of Recurring Events, a group with a keen interest in things cyclical, from trends in the stock market to sleep cycles.

There is nothing mystical or astrological about cycle theorists. Many of them are hard-headed businessmen looking for an edge in the market or, at least, a way to make an informed guess about its direction.

For Zahorachak, however, the study of cycles has become a way of life. Several years ago he discovered the work of Raymond H. Wheeler, a psychology professor who believed that all social behavior was related to climate, that climate was cyclical and could be predicted and that one could thus make reasonable assumptions about the future.

Wheeler died before he could publish his findings. Zahorachak obtained his research, thousands of pages of charts and facts and theory papers.

Zahorachak contends that temperature and rainfall affect the body and mind. On hot, humid days, he said, people are lethargic, while on a cool day in April they are full of vigor. In short, "vitality and aggressiveness" decrease in midwinter and midsummer, when temperatures are at their extremes, and revive in the fall and the spring, he said.

Next, he asserts, from a study of tree rings and sun spots and weather reports it is possible to chart cycles in the world's weather back to 600 B.C. Discovering when it has been hotter or colder, wetter or drier than normal, these fluctuations have occurred regularly at measurable intervals, the most important of which is the hundred-year cycle, he said.

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Data From The New York Times

Michael Zahorachak with climate charts at his home in Linden, New Jersey.

By MICHAEL NORMAN / THE NEW YORK TIMES

Times Staff Writer

Times Staff Writer